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Tuesday January 22 1980

850

840

830

By David Marsh and

Germany to dampen specula-

an ounce at the morning fixing. It fell to below £20.90

After the London market closed it was confirmed that

the Commodity Exchange in

New York has confined trad-

ing on its silver futures market to "liquidation"

orders only; in other words

no new purchases or sales are

the same time the Commodity

Exchange sharply increased the deposits required to deal

tles also moved yesterday

to foreign currency risk.

cent of shareholders' funds.

Farming and raw materials

Page 23

Jan. 18

S2 2830-2850 S2 2765-276

0.70-0.85 dis 0.68-0.65 dis 1,67-1,62 dis 1,50-1,45 dis 3.78-3.55 dis 3.35-3,25 dis

£ in New York

in the afternoon

permitted.

in the market.

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GENERAL

## **Olympics** boycott gains support

The U.S. Olympic Committee appears to be softening its opposition to an American boy-cott of the Moscow games in

The committee still intends to poll prospective Olympic athletes before its executive board meets this weekend, but is aware of growing public support for a boycott, shown in two

opinion polls.

The Carter Administration is to delay asking Congress to authorise military aid to Pakisan, but says the decision was not due to disagreement between the two countries over the extent of the aid.

### Thais free nurse

British nurse Rita Nightingale. 25, jailed for 20 years in Bangkok in 1977 for drugs smuggling, is to be released this week after an appeal for elemency to the King of Thailand

### **Bullring tragedy**

At least 135 people were killed and hundreds injured when temporary wooden stands erected for a builfight festival collapsed in Sincelejo, Northern Colombia.

### **Turner gallery**

A donation of £5m has been made by Vivien Duffield, daughter of Sir Charles Clore, to help establish a purpose-built gallery to house the works of Turner, the British artist.

Iran air crash Iran Air Boging 727 with 128 people on board crashed in the Elborz mountains north-east of

### Gales hit UK

Snow and rain with gale force winds swept many parts of close. Britain. A number of major motorways. The 300-ton tanker Regitze Tholstrup was beached this year, official by storms in Northern Ireland, indicate, Back Page

### Tito unchanged

The condition of President Tito of Yugoslavia was unchanged after the amputation of his left leg, according to a medical bulletin last night. Page 2

### Police remanded

Two Metropolitan Police detec-tive constables accused of corwere remanded in custody for three days at Bow

### Peace woman

Anne Maguire, 34, mother of the three children whose deaths led to the start of the Ulster Peace Movernment in 1976, was found dead at her Belfast home. She had knife wounds and police believe she killed herself.

### Campaign opens Campaign for Rhodesia's

British supervised majority rule election opened officially when more than 700 candidates were nominated for 80 black seats.

### Briefly . . .

Neo-taseist guerrillas called Spanish Armed Group claimed responsibility for the bombing in a Bifbao bar on Sunday which killed four people. outh Korean military court will

today hear appeals by former intelligence chief Kim Jae-Kyu and five other men against death sentences they received for kill-ing President Park Chung-Hee. India's Central Bureau of Inves-

Excheq 14% 1984 £987 + 1 Tress 151% 1996 £112 + 17 Alcan Aluminium ... 106 + 10

Alexanders Discount 212 + 7 Appleyard 71 + 9 Bakers Household

Henlys

Pleasurama ...... 175 +

Redland ..... 171 +

Slough Estates ..... 116 + 

 Sotheby's
 425 + 15

 United Scientific
 398 + 6

 Aran Energy
 346 + 24

CHIEF PRICE CHANGES YESTERDAY

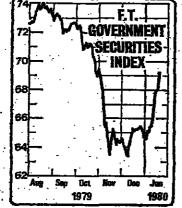
(Prices in peace unless otherwise indicated)

Stores 107 + 4

### BUSINESS

## Gilts up on strong demand; £ firm

• GILTS attracted buying by foreign and domestic investors, undeterred by the new tap offering. Gains were particu-larly noticeable among long-



duited stocks, but shorts rose about !. The FT Government Securities index gained 0.73 to

O EQUITIES were hit by profittaking after last week's advance ..despite ...institutional inquirles succumbed to a bear squeeze. The FT 30-share index closed 2.1 lower at 457.7 and the Gold Mines index lost 7.9

STERLING rose reflecting interest in gilts and its index climbed to 72.3 (71.9)—the highest since last August. But against the dollar it fell to \$2,2840 (\$2,2855) following strong support for U.S.

O DOLLAR rose to DM 1.7295 (DM 17235) and SwFr 16015 (SWFr 15910). Its index advanced to 849 (84.7).

9 GOLD fell \$10 to \$825 in

@ WALL STREET was up 5.38 at 872,53 shortly before the

restrictions were in force on tion deteriorated significantly in 1979 and may worsen further this year, official statistics

> CAR OUTPUT in the UK is likely to fall about 13.5 per cent this year from 1979's 1.1m to 950,000, the lowest figure since 1957, an Economist Intelligence Unit survey predicts.

• SWITZERLAND'S trade gap in 1979 reached SwFr 4.7bn (£1.3bn) which was nine times the 1978 deficit of SwFr 520.4m (£144m) and the highest since 1974. Page 4

• SWEDISH aircraft industry stands to receive up to SKr 675m (£71.4m) in State support to enable it to switch from military to civil aircraft. Page 2

ANTHONY SOLOMON, the U.S. Treasury under-secretary for monetary affairs, has been appointed president of the Federal Reserve Bank of New

### COMPANIES

• ALEXANDERS DISCOUNT Company suffered a loss of £250,000 for 1979 against 1978 profits of £200,000, due mainly to higher interest rates. Page 16 and Lex Back Page

@ GIEVES GROUP, the tailor, publisher and motor dealer, is selling its James Burn Bindings subsidiary to Standex Inter-national for £3.66m. Page 17

• BANK OF AMERICA reports a small rise in profits for the final 1979 quarter. Income before securities transactions was \$158m (£69m) up 7.8 per cent on the 1978 quarter. Page

tigation freeped a corruption there was not enough evidence. More than 5,000 South-east Asians were granted political from A\$10.5m (£5.14m) to asylum in Britain last year.

Weeks Petroleum ... 410 + 40 Bertram Cons. ..... 56 + 8 Bougainville ...... 173 + 10

Whita Creek ...... 90 + 10

Kitchen Queen ..... 24 - 3 Muirhead 228 - 8
National Carbonising 129 - 8

National Carbonium 196 — 10
Randfontein Estates £31 — 12
South African Land 360 — 26
Western Deep .....£191 — 13

## Farmers seek 11% increase in EEC agriculture budget BY JOHN WYLES IN BRUSSELS

Europe's farmers have raised the temperature in the intensifying battle over the EEC agricultural budget by lodging a claim for substantial farm price increases, despite growing pressure to curb farm spending.

sents 23, farm groups and 5m farmers, has set out general though rather defensive arguments for of a 7.9 per cent plus. increase in common farm prices for the 1980-1981 marketing

If fully implemented this would add about £730m, close to 11 per cent, to last year's farm budget of nearly £7bn because of the "knock-on" effects of funding product

sur pluses. Agricultural spending consumes about 75 per cent of the total EEC budget at present. The agricultural organisations committee's demands are well above increases being con-

sidered by the European Com-mission's agricultural officials. Mr. Finn Olav Gundelach, the Agriculture Commissioner, is thought to be preparing a profor discussion by the Commission at the end of the month.

duction surpluses.

But when the EEC Agriculture Ministers starts discussing new farm prices next month, the British approach may well be challenged by France and West Germany in a move to recover some of the increases in their

dairy farmers' costs.

Their discussion will be closely followed by leaders of the European Parliament, which rejected the Council of Ministers' 1980 budget proposals because they did not do enough to curb farm spending and to switch resources to other sectors.

Many Euro MPs will look for a modest farm price settlement and measures to curb costly posal for 2-3 per cent increases surpluses before they agree on a budget draft for 1980.

within that framework a freeze on prices of dairy products, which account for 40 per cent of the agricultural budget and give rise to the most costly and duction smallest the farmers say that after deduction of 1.5 per cent a year to take account of profitability improvements 2 7.9 per cent increase in farm prices is necessary duction smallest the farmers say that after deduction of 1.5 per cent a year to take account of profitability improvements 2 7.9 per cent increase in farm prices duction smallest the farmers say that after deduction of 1.5 per cent a year to take account of profitability improvements 2 7.9 per cent a year to take account of profitability improvements 2 7.9 per cent a year to take account of profitability improvements 2 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent increase in farm prices of the agricultural budget and give rise to the most costly are the farmers say that after deduction of 1.5 per cent a year to take account of profitability improvements 3 7.9 per cent increase in farm prices are the farmers say that after deduction of 1.5 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability improvements 3 7.9 per cent a year to take account of profitability In the statement of their

The Committee of Agricul- Mr. Peter Walker, the opposed to dismantling of tural Organisations in the Minister of Agriculture, said in monetary compensatory European Community, which Brussels yesterday that the amounts, which they say would Brussels yesterday that the farmer's demands were "not on." Britain favoured a freeze on prices "for goods in surprices in nominal terms, and affect farmere'

The farmers' calculations are based on increases in costs in the last three marketing years after taking into account price rises in hte last two farm price

reviews. They claim that only in France have farmers' incomes increased in real terms in the period, and that a 7.9 per cent increase is the minimum necessary to bring farm wages up to other earnings levels. UK farmers, for example, say

that in 1979 their incomes fell by 16 per cent over 1978 in real After the meting of EEC Agri-culture Ministers Mr. Walker said last night that he believed

that Mr. Gundelach would seek approval of his fellow Comissioners to apply to the European Court of Justice for an interim injunction against France. This would happen, if,

The decision, announced after trading had been sus-pended for most of the day, expected, France did not lift restrictions on British lamb imis aimed at preventing a ports by the end of the week. small group of powerful speculators from cornering the market by acquiring the bulk of available supplies. At French view of farm budget,

## New hint of curbs on public sector borrowing

BY PETER RIDDELL ECONOMICS CORRESPONDENT

A CLEA Rindication that public determination of Treasury borrowing profile, with borrow-sector borrowing will be held Ministers to secure public ing not changing much as a Mr. Nigel Lawson, the Financial Secretary to the Treasury.

In a speech to a Financial Times conference in London Mr. Lawson implied that borrowing would be held at roughly its current proportion of Gross Domestic Product in 1980-81. He did not say what this would mean in money terms; depending on what base is used this suggests a ceiling of between £9bn and £10bn.

This compares with an official estimate for the current financial year of £8.3bn and a probable outcome of £9bn. Projections both inside and outside Whitehall indicate that unless present fiscal policies are changed in the Budget, borrowing might rise to between £10.5bn and £11bn in 1980-81.

These estimates are extremely tentative but they underline the a

down in the coming financial spending cuts of well over fibn year was given yesterday by Mr. Lawson stressed the sector borrowing was too large and that a central objective was to achieve a downward trend in borrowing as a percentage of Gross Demestic Product in the

medium-term." It the short-term he noted the allowed to fluctuate with the economic cycle. "It is true that in a recession it will tend to increase through diminished being equal."

Government is committed.

Taken together the cycle and the medium-term trend might be expected to produce a 'stepped' public sector

proportion of Gross Domestic Product in recession years, but Government's view that public falling fairly sharply in nonrecession years." These comments came during

one of the most detailed ministerial discussions so far of how the Government believes fiscal and monetary influences work in the economy. In partifrequently argued point that cular, Mr. Lawson stressed the borrowing tends and should be dangers of increasing borrowing or deliberately easing the monetary target.

Mr. Lawson's comments are likely to be seen as a bullish tax receipts and increased social factor by the aiready strong security benefits, other things gilt-edged market. There were further big price rises yester But, he added, it was day and it looks likely that at necessary "to see this against last one of the two new stocks the background of the secular on offer tomorrow will be fullydownward trend to which the subscribed unless there is a sudden reverse. This follows gilt sales of almost £1.5bp earlier this month.

Conference report Page 6 Editorial comment Page 14

## U.S. bid for Bowring goes ahead and it must be run by

BY JOHN MOORE AND DAVID LASCELLES

with a bid, now worth £237m, for C. T. Bowring, the British insurance broker with banking, credit finance and large Lloyd's of London interests. Bowring has indicated intense hostility to any approach by Marsh and stated on Janu-

ary 14 that the terms were inadequate.' Last night Bowring said: The drop in the Marsh and McLennan share price, coupled with the strength of the pound since that time means the offer s worth even less."

Marsh's offer, a mixture of its

have reduced it to £237m. more than 163p on each Bowring share.

Marsh has reached an understanding with Lloyd's about the controversial 20 per cent ruling. The rule stipulates that insurance interests outside its market could not normally hold more than 20 per cent of an approved Lloyd's broker. If applied rigorously, the Lloyd's ruling could have upset the Americans' planned take-

over attempt.
New Lioyd's is to give Marsh own shares and cash, was worth nine months to comply with the £245m when it was announced 20 per cent ruling. Lloyd's has

MARSH AND McLENNAN of at the beginning of this month. already said that it may modify, the U.S., the world's largest But the movements in Marsh's even abandon the 20 per cent insurance broker, is going ahead share price and exchange rates ruling in April.

Meanwhile Lloyd's is allowing The offer places a value of the American group to take its more than 163p on each Bow-holding to 25 per cent in the Lloyd's broking operations of Bowring as another concer Under the existing Lloyd's

arrangements, the remaining 75 per cent would have to be placed in friendly hands approved by Lloyd's committee. Marsh and McLennan has yet to satisfy the Office of Fair Trading on the deal. The OFT has power to recommend to the Department of Trade whether any bid should be referred to the Monopolies and Mergers

Lex Back Page

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### **ACAS** moves GOLD Price could break steel deadlock JANUARY 21, 1980

BY CHRISTIAN TYLER, LABOUR EDITOR

Gold and Advisory, Conciliation and Arbitration Service by the end silver fall back

Downing Street yesterday. The and Municipal Workers. Prime Minister's attentiveness in listening to the unions' case in particular—appears to have GOLD and silver prices fell yesterday in London following moves in the U.S. and West eased the tension somewhat. to the dispute is within grasp.

But, flanked by the Ministers Mr. Sirs said after meeting most closely involved, she made it clear that the dispute had to Gold closed at \$825 an ounce, \$10 down on Friday's price and \$30 below the be settled by negotiations between the parties themselves. record \$855 reached earlier in the day. Silver also lost ground after rising to £21.374

The Iron and Steel Trades Confederation said it was ready to respond to the first glimmer of a sign that BSC is shifting. appeared yesterday that BSC is coming under some behindthe-scenes pressure to loosen the conditions attached to its pay offer.

### Strike solid

But publicly, the corporation repeated that it could not give up its basic position—that any wage rise must be financed by a cutback in jobs and more efficient working.
There was no sign of the

100,000 strikers weakening in the battle to secure a cost of living rise with as few strings ernment money next year. What In Scotland, flying pickets were sent to Aberdeen to block the supply of stacles. the supply of steel to offshore oil rigs and platforms. Picketing of on-shore manufacturers is to

The West German authoribe stepped up. About 400 pickets descended on BSC's Stanton works at From February 1 trading positions in gold and precious Ilkeston, Derbyshire, prompting metals will be included in the rules applied to German banks limiting their exposure the company to warn that its entire 4,000 workforce could be

laid off this week.
Private steel producers again The Federal Banking superwarned of many job losses and some closures if its employees in the ISTC join the strike, as visory office will insist that the Deutschemark value of each bank's gold and precious threatened, next week. its foreign currency posibuilding up in South Wales tions must not exceed 30 per

against the separate but related question of coking coal imports and BSC's planned works closures there. The Wales TUC predicted that 200,000 workers would join the one-day strike planned for next Monday. With the Ministerial involve-

ment now concluded, an invitation could go out today from ACAS to BSC. On the union side, general secretaries of the principal unions involved in the strike are expected to meet in

THE TWO sides in the steel the next day or two. This could strike could both be at the clear the way for discussions Advisory, Conciliation and with the ACAS chief conciliation officials.

of the week. If the British
Steel Corporation—which contacted ACAS yesterday—
indicates it is ready to change

Mr. Bill Sirs of the ISTC, Mr. its pay offer, the two could Hector Smith of the Blastfur-even come face to face by nacemen, Mr. Len Hancock of nacemen, Mr. Len Hancock of the Boilermakers (representing craft unions), Mr. Moss Evans of Mrs. Margaret Thatcher craft unions), Mr. Moss Evans of the Istened to both sides of the argument at Number 10 David Basnett of the General

Those closest to the dispute were yesterday anxious to dismiss false hopes that a solution the Prime Minister that unless BSC came up with some money it is our job to prosecute this strike with its utmost intensity." But he declared himself pleased with the audience, and added that Mrs. Thatcher had learned something new.

"My expectation from that would be that their approach to the steel corporation will be rather different from now on." One union leader said that although Mrs. Thatcher appeared well briefed, she had

"looked aghast" when told by tha BSC wanted 50,000 more jobs to be cut as early as August this year.
Sir Charles Villiers, BSC chairman, said after his interview: "There is no new money available and there will be no switching of the £450m of Gov-

### No switch

The Prime Minister re-assured BSC that she had no intention of getting involved in the negotiations. Sir Keitt. Joseph reaffrmed to both sides that there was no question of switching part of that £450m, allocated for investment, redundancies and capital, into wages.
Mr. Sandy Feather, staff

officer of the ISTC, who also went to Number 10, said last asking the Government for more money, only that more should be laid out for wages and less for closures. If the unions succeeded in

preventing or modifying the proposed closures, BSC could use the money that would have gone on redundancy pay to increase the steelworkers incentive to achieve higher output and increase its share of the market. Strike effects Page 5

Labour news Page 7

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## Differences in performance threaten EEC

BY JOHN WYLES IN BRUSSELS

down of the Community has sustain its industrialisation and been delivered by a group of keep up with the high fliers, experts charged with studying the report observes. developments since the 1973 oil

crisis.

The report highlights the emergence of two speeds of adaptation to the economic and industrial problems which have beset Western Europe since West Germany is out in front in coping with the impact of recent economic problems. says the report, followed by the Netherlands, Belgium and

Denmark. Italy and the UK bring up the rear, while France sits somemarks for progress in high created a year ago—was an above average productivity rising costs and deteriorating to restructure industrial productechnology centres and for important factor in relative per- gains have helped offset specific currency values. Italy's concention.

A WARNING that economic maintaining overall investment formances between 1973 and sectoral problems. But Belgium tration on activities which are and industrial differences rates in difficult circumstances. 1978. differences rates in difficult circumstances. between EEC members have But the general economic now reached the point where they could bring the break-

> Ordered by the European Commission which is not, how-ever, necessarily endorsing its conclusions, the report has been written by a group of independent economists from each of the nine member states under the chairmanship of M. R. Maldague, head of Belgium's Bureau du Plan.

Broadly, the authors find that membership of the European currency "snake"—the fore-runner of the European

They argue that currency discipline has forced West Ger-many, Belgium, the Netherlands, and Denmark to maintain or improve their competitiveness in domestic and international markets through above average productivity gains, albeit at the expense of employ-

West German industry is said to be well ahead of its Compartners thanks to munity modest incresses in internal production costs and a concentration on specialised products with a high technology input requiring highly qualified labour.

dence on steel and textiles, while the Netherlands has lacked sufficient strength in able to competition from low equipment goods and cars—wage countries, the report warns. industries least affected by post-1973 problems.

The difficulties of Italy and the UK were obviously uppermost in the group's thinking when they warned that widen-ing differences of performance may not only hamper the EEC's progress but may even lead to a breakdown "as rates of development in the Community grow wider apart"

On the macro-economic level, the report says that both Italy and the UK have suffered Progress in Belgium, the and the UK have suffered Netherlands and Denmark has similar problems of very low been less marked but, again, rates of investment, rapidly

intensive than those of many of its partners has left it vulner-It highlights the decline of the UK's manufacturing sector and the steady growth of service industries. Chemicals and data processing are identified as two of the stronger performing

industries, but the report points

out that British industry was

declining when the 1973 crisis

began and this reduced its

capacity to adapt to subsequent Opportunities offered by the depreciation of sterling during the 1970s have been missed. Both North Sea oil and its contribution to the balance of payments allows a breathing space

## Michelin bonus sparks fears in Italy

1.39m tonnes last year. According to provisional The drop in steel production statistics from the Bank of

largely reflects prolonged labour Italy this was due to a fall in

In the case of Italsider, the since July 1979, reduces Italy's

L8,196bn.

state steel group and Italy's gold and currency reserves to

countries increased by 5.6 per last month increased by 6.3 per of any Western country. In ported that its external position cent to 140m tonnes last year, cent to 2m tonnes compared to November these were valued at deteriorated during November Assider said.

December, 1978.

L16,089bn, but are set to rise by L289bn.

unrest in the Italian steel sector convertible currency holdings

BY RUPERT CORNWELL IN ROME

MICHELIN, THE French tyre group, has stirred up a hornets nest here by making an unprecedented tax-free bonus of L250,000 (£135) per head to the 14.000 men it employs at five plants in northern Italy.

Excluded from the largesse by the Michelin management of rest, it is a windfall but one ment and suspicion among industrialists and unions in Italy. The company has been

BY PAUL BETTS IN ROME

ITALIAN STEEL production

dropped last year by 24m

tonnes, 1 per cent down on 1978.

according to figures published

by Assider, the association of

Italian Steel Manufacturers.

Italy is the second largest pro-

ducer of steel in the European

also show a marked increase in Italian steel imports at 7.4m

tonnes, or 35 per cent more than

The decline in Italian steel

production is in sharp contrast

with other main European steel-

producing countries. Indeed,

overall steel production in

Danes seek

lease terms

By Hilary Barnes in Copenhagen

concession for oil and gas

exploration in the Danish sector

of the North Sea, which is held

exclusively by shipping and in-

with Shell, Chevron and Texaco

It may also want to change the terms of a 1976 agreement by

which the consortium is to hand back 10 per cent of its concession area in 1981 and a further

10 per cent in each of the suc-

ceeding five years. A. P. Moeller's concession was

awarded in 1962 for 50 years.

of all oil to Danish refineries.

The Government wants the rate of exploration stepped up.

new oil

Assider's provisional figures

described it as an "exceptional gift," made on a "personal basis" at a time of general difficulty.

However, it comes just as the Italian chemical unions are getting down to negotiating a new are only about 100 men, accused wage contract, and as the by the Michelin management of country's 1.5m metalworkers, chronic absenteeism. For the into whose province Michelin partly falls, are working out the which has roused deep resent- details of the company-by-company claims to supplement the national agreement reached last summer after six months of

Moreover, there was also a

small decline in Italian pig iron

production of 0.1 per cent to

during the renewal of the Engi-

neering and Metalworkers Union

largest single manufacturer, labour friction cost the company

some 750,000 tonnes of steel

However, since agreement

with the unions was reached,

steel production in Italy has

11.39m tonnes last year.

national labour contract.

production last year.

with the payment an attempt to buy labour peace including Pirelli and CEAT, I it as an "exceptional at Michelin in Italy, should the both direct tyre competitors of talks prove very difficult. The cluding prepaid tax, is put at about L5bn (£2.7m).

> In more general terms, the move is taken as evidence of Michelin's taste for paternalistic management methods, and of a studied indifference to the usual methods of negotiating with organised labour, in France and eslewhere.

Eually annoyed, after their typically silent about its tough bargaining. initial astonishment at Michelin's that they are linked motives. Letters sent to eminitial astonishment at Michelin's that they are linked to produc-

November by L637on (£348m).

in a month which saw inter-

mitent pressure on the lira.

The monthly decline, the first

L30,828bn. The convertible

foreign currency component was down by L692bn to

The month showed no change

ings, reckoned to be around during the same period of 1978. 82m ounces, the fourth largest. The Bank of Italy also re-

in the Central Banks gold hold-

both direct tyre competitors of the French group, and whose total cost to the company, in- Italian wage levels are much the same. The companies fear that Michelin's decision to break ranks could lead to demands from their workforces to make a similar gesture at a time of great pressure on their finances.

Many economists, moreover, are arguing that the payment could not have come at a worse time, when the Government is doing what it can to hold down wage increases, or at least see

in the gold price since then.

also reported in November,

according to provisional Bank

of Italy figures published yes-

reported a surplus of L386bn.

terday. In November 1978 Italy

In the first eleven months of

last year Italy's overall balance of payments showed a surplus

of L 1,854bn, considerably less

than the surplus of L5,840bn

force put in jeopardy some 1,700 jobs in Saab's design division and a smaller number in Volvo Flygmotor. Earlier this month, the air force commander asked the Government to order a cheaper trainer/attack model, known as the SK2, which Saab has since submitted. But this Steel production down 24m tonnes last year contract would not be enough

for Saab to keep its development staff intact. After analysing other alter-Rupert Cornwell adds: Italy's very sharply when the Bank of natives in the energy and official reserves dropped last Italy makes its next three-November by L637bn (£348m), monthly adjustment, to take transport fields, the team concludes that the Swedish manuaccount of the enormous jump facturers should concentrate on conversion to civil aircraft An overall balance of payments deficit of L415bn was and space equipment. But, it

State aid

plan for

THE SWEDISH

Sweden's

air industry

industry stands to receive up to SKr 675m (£71.4m) in state

support to enable it to switch

from military to civil produc-tion. This recommendation

was made yesterday in the

report from a special team appointed to study ways of

preserving the industry's research and development

capacity.
State backing could enable

Saab-Scania to clinch an agreement with Fairchild of

agreement with rarrenia of the U.S. for the joint develop-ment of a 30-seat feeder air-craft. Volvo Firgmeter, the aero-engine subsidiary of the vehicle group, could also finalise plans for co-operating with Garrett Corporation, an-

other U.S. company, in deve-

loping jet and turboprop engines for business aircraft.

Volvo Flygmotor, which makes the engines under U.S.

licences for the aircraft built

by Saab for the Swedish air

force, has already received a

SKr 138m loan from the Gov-

ernment for a joint engine

project with General Electric.

The company is negotiating

with other aero-engine makers

The team was set up last

year when government refusal

to go ahead with a new light

attack aircraft for the air

on a third project.

stresses, civil aircraft production calls for a totally different marketing strategy and must be effected in cooperation with foreign companies. The SKr 675m support package would be conditional

on "commercially acceptable agreements" emerging from current negotiations. team estimates that state finance could help to maintain 750 jobs in the industry's development divisions

Saab has been working on a design for a twin turbo-prop feeder airliner, designated the Transporter. Originally planned as a work horse for use in developing countries, the project is now aimed at the market for short-haul commuter aircraft which the company calculates will amount over the next decade to some 2.400 aircraft, mostly within the U.S.

This project is solidly endorsed in the team's report, which is reserved about several of the other suggestions put forward by the industry. Saab hopes to reach a development agreement with Fairchild in the

near future. Mr. Sten Gustafsson, Saab-Scania's managing director, welcomed the delegation report yesterday. He stressed that the Government finance proposed was in line with schemes operated in other West European countries.

### THE SINN FEIN CONFERENCE



Mr. Rory O'Brady addresses the conference

## Old guard face the 'Belfast lefties'

BY STEWART DALBY IN DUBLIN

Sinn Fein—the political wing of in the North.
the Provisional Irish Republican The Provisional IRA and Sinn Army (IRA) is developing a Fein started life in 1969. Socialist strain emerged last Before then there was just one weekend at its annual con- IRA and one Sinn Fein, which ference in Dublin.

O'Brady, the Sinn Fein Presimust continue. But Mr. Jerry Adams, a leading activist from Belfast, said that only a political solution could solve Ulster's problems.

To say that the party has profound ideological splits would be putting it too strongly. Nevertheless, there have been signs which again surfaced at the conference that there are differences between the old guard of the Southern based eaders like Mr. O'Brady and Mr. David O'Connell, the Vice-President on the one hand and Mr. Adams, another vice-president, on the other hand.

In particular there have been persistent allegations, some of them emanating from the Northern Ireland Office and

INDICATIONS that Provisional ment in Dublin as to stability

was in direct linear descent At the meeting, Mr. Rory from the organisation founded O'Brady, the Sinn Fein Presi- by Arthur Griffiths in the late dent, proclaimed old-fashioned 19th century and of the martyrs republicanism and announced of the 1816 uprising. When the that the armed struggle against troubles erupted in the North the British in Northern Ireland in 1969, the IRA was under the influence of men like Mr. Cathal Goulding, who advocated the vaguely Socialist policy for Northern Ireland: that Northern Ireland should sort out its own problems first and that the Irish

dimension should be put on the back burner. The Provos split off and tried to defend the Catholic com-munity in Northern Ireland against what then seemed like rampaging Protestant mobs. Later they were militarily to transform themselves from a defensive force to one of

offence. Politically the Provisional IRA and the Sinn Fein remained Republican with reunification of the two parts of Ireland as its prime object. However, with the reorganisation of the British Army that the the Provisional IRA and the younger Northern Ireland based development of alleged links leaders, so called "Belfast with Basque and Palestinian lefties" which would include guerrilla groups, word began to Gerry Adams, are trying to turn circulate that the Provisionals the Provisionals into a Marxist had become Marxist and further organisation. The argument that their means of violent revoruns that it would then become, lution had supplanted their ends

### Soares triumphant after Socialist heart-searching

as much a threat to the Govern- of reunification.

BY IMMY BURNS IN LISBON

grouping, the Socialist party, has emerged from an internal crisis to confirm Dr. Mario Soares as undisputed leader. It also intends to base future strategy on a more pragmatic middle-ground course, clearly distanced from the Communists.

A weekend meeting of the party's main representative body, the 150-man national commission, rejected outright a pro-posal to hold an extraordinary congress. The congress would have satisfied a section of the party's rank and file which wishes to make the leadership

more accountable. The commission also voted for a reshuffle of the 15-man secretarist, the party's main executive arm. Three prominent left-wingers, Sr. Jaime Gama, Sr. Manuel Alegre and Sr Tito ences of opinion.

PORTUGAL'S main opposition de Morais, have been removed, leaving the party leadership firmly in the hands of Dr. Soares and a moderate faction.

The Socialists have been locked in heart-searching debate since their humiliating defeat in both national and local elections last month.

The results led to a unanimouse conclusion that the fault lay with the party's lack of definition. What divided both the leadership and the rank and file was how the party should define itself in future.

Dr. Soares strenuously demed yesterday that there was any schism. Yet the weekend's purge has effectively put an end to his preferred image of the party as a grouping that can accommodate wide differ-

## in critical condition By Aleksandar Lebl in Belgrade

Tito still

DOCTORS TREATING 87-yearold President Tito, of Yugoslavia. said yesterday that he spent a quiet night after the amputation of his left leg on Sunday. His general state of health remains good, according to the bulletin issued by the eight man medical team, which warned, however, that his condition would be critical for three days. Some uncertainty about the chances of a full recovery would remain for three weeks.

Whatever the final outcome the past two weeks have pro-vided the occasion for a fullscale dress rehearsal of the procedure to be followed in the event of the President's death or

Meanwhile, the authorities have moved fast to discount suggestions that the \$7bn held Yugoslavia nationals in special hard currency accounts in Yugoslav banks is about to be converted into dinars. The federal Government categorically denied any such intention and has backed this up by giving additional privileges to exchange account holders. These provide easier access to building materials, cars, white goods, flats and other scarce items.

The central bank provides high interest rates and other incentives for Yugoslav workers abroad. particular. repatriate their savings and so help ease Yugoslavia's foreign currency shortage. Statistics for 1979, just released, show that Yugoslavia had a \$6.3bn trade deficit last year and an overall balance of payments deficit of

Retail price inflation rose by 22 per cent while the gross national income rose 7 per cent thanks to an 8 per cent rise in industrial production and a 6 per cent increase in agricul-tural output. Employment rose by 4.4 per cent last year but productivity rose only 2.3 per cent, while investment was 7.3

per cent. The Comecon countries took 41 per cent of Yugoslav exports and accounted for 28 per cent of imports last year. Exports to the industrialised West were 42 per cent of the total and imports 58 per cent.

### Shops shut in **Greek** protest

By Our Athens Correspondent

GREECE'S 500,000 shops were closed yesterday and 35,000 strike since last Thursday in protest at new Government measures to controt inflation and a soaring trade deficit.

Importers now have to pre-pay 75 per cent of the cif (cost insured freight) value of their goods, and profit limits have been set for wholesalers and retailers. A 25 per cent luxury goods tax has also been

Other issues for re-negotia-tion are likely to be hard and fast agreements for the delivery imposed.
The bank strike is against a Government decision altering and the construction of a pipe-working hours and also to back line from the North Sea to the

## Paris and Algiers strengthen ties

BY TERRY DODSWORTH IN PARIS

FRANCE AND Algeria are aiming to consolidate the improvements in relations arising out of last week's visit to Paris of Mr. Mohamed Benyahia, the Algerian Foreign Minister, by setting up a number of working parties to examine contentious THE DANISH Government is issues between the trying to alter the terms of the countries.

These committees will deal with a range of questions, including economic and fiscal ssues, and the property and dustrial company A. P. Moeller. activities of the French in Mr. Poul Nielson, the Energy Minister, has confirmed that the

Government will be opening The most important, however, will study the tricky problem of Algerians working in France, negotiations with the company which has exercised the oil exploration rights since 1962

a new cloud since the recent and Mauritania in their conflict migrants.

The Algerians have made it clear that they expect concessions from the French on this issue if the present thaw in relations is to continue. Although Algerians, whose permits were due to expire at the beginning of this year, were given a further 12 months' extension, the Algerian Government would like to see further guarantees for the 800,000 Algerians living in France and more help with

It has become clear during the talks that the quarrel about French support for Morocco

tightening of controls on im-migrants. with the Algerian-backed Poli-sario over the former Spanish colony of Western Sahara, has now been largely buried. The friction between Paris and Algiers has declined since the coup d'état in Mauretania and the Polisario's ceasefire.

Because of these develop-ments, both countries have been more willing to turn to international issues and the question of stabilising the political situation in the Mediterannean area. The French are evidently looking for Algerian sup-port for President Giscard d'Estaing's plans for developing dialogue between Europe, Africa and the Arab world.

### Poll has focused new attention on Gibraltar, reports Robert Graham

## Signs of motion around the Rock

Gibraltar has brought the future of the Rock into focus. All four contesting parties seem to recognise the need to clarify

the Rock's status.

Talks between Britain and Spain, begun more than two years ago, have stagnated but both sides see the need for a new impetus.

In an important statement to the Senate last December, Sr. Marcelino Oreja, the Spanish Foreign Minister, called for new negotiations "to put an end to this absurd anachronism." The time had come, he said, to end sterile confrontations and look toward a new future that respected both British, Gibral-

tarian and Spanish interests.
At the time, the Gibraltar question was put under the question was put under the microscope at a conference in Segovia attended by more than 60 political figures and academics from Britain, Gibraltar and Spain. Though "unofficial" the meeting had the blessing of the respective governments and was the first

ever such encounter.

Taken together, these two events are encouraging signs. Gibroltar is such an intractable issue that any movement, no matter how slight, must be conedered progress. Sr. Oreja did not define how he thought meaningful discussions could resume, nor did he make any significant concession. The most important aspect of

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AN ELECTION campaign in Sr. Oreja's declaration was the demonstration of a political will to negotiate coupled with a recognition of the changing context of the Gibraltar issue. The last attempt to negotiate the future of Gibraltar was begun in autumn 1977 with meetings between Sr. Oreja and Dr. David Owen, the then British Foreign Secretary. This

> The devolution policy has finally given Madrid the context in which to frame any integration of Gibraltar

led to the establishment of

three working committees to study how to approach such issues as pensions of Spanish workers formerly employed on the Rock, and communications. It also led to the re-opening by th Spanish of telephone com-munications with the mainland. Although Gibraltarians were brought into the discussions for the first time, no real progress was made. The talks foundered on British insistence that nothing could be negotiated until Spain removed the restric-tions imposed unilaterally in 1969.—the most important being the closure of the land frontier at La Linea, Formally

still stand. Sr. Oreja and Lord Carrington, the new British Foreign Secretary, met at the UN in the latter was totally committed to the Rhodesia talks.

at least this is where maters

The circumstances changed essentially in three the Rock One of the reasons ways. Firstly, inside Spain the why no solution has been devolution of authority to auto- achieved could be that neither nomous regions, starting with side has had an overriding content the Basque country and Catalonia, has finally given the Spanish Government a context an optimistic note about the in which to frame any eventual integration of Gibraltar.

Secondly, Spain has applied to join the Europeon Com-munity and the persistence of the dispute between Britain and Spain over Gibraltar threatens to complicate Spanish entry. Although the Spanish refuse to accept that the closure of the frontier and the restrictions applied to Gibraltar are against the Treaty of Rome, the British and Gibraltarians certainly believe they are.

Thirdly, there is the question

of Spanish membership of NATO. Spain's bilateral defence treaty with the U.S. expires in 1981 and Washington would prefer to see any new defence arrangement within the NATO context.

This means that, in the case of the EEC, definite pressure exists to reach a solution, while membership of NATO, if Spain chooses to join provides a form of flexibility to accommodate a British military presence on the rock Until now, such flexi-bility has not existed nor has there been any satisfactory internal Spanish framework to as long as it could. absorb the legitimate interests of the Gibraltarians.

For that matter there has been

have end to British colonial rule of the Rock. One of the reasons.

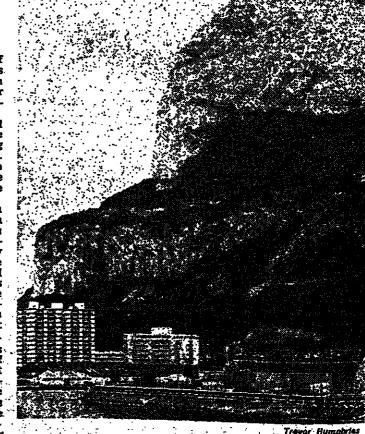
> future, the Segovia meeting underlined the pitfalls ahead. Clearly there is a desire to establish a dialogue yet the dialogue remains one of the

> For instance, on the Spanish side, from the mayors of La Lines and San Rogue (the men heading the Spanish communi-ties most directly affected by the confrontation) to the academics and politicians, all regard Gibraltar as a dangerous nuclear base. None of the British participants success fully reassured the Spanish on appears the belief is unfounded. Sr. Oreja himself, in his Senate statement, talked of Gibraltar being a direct threat "to Spain and, its 36m inhabi-tants" as a British military base

-hardly the language to use with future partners in the The second misunderstanding was a fundamental Spanish belief that Gibraltar was of great strategic significance to Britain and that the British intended to hang on to Gibraltar

The frequent statements over the years by British ministers that they can do nothing on the September but nothing was set no real pressure either Britain future status of the Rock that of the frontier. The bankruptcy in motion then largely because has felt only irritated, not put would be against the democratic of this policy which has kindled under pressure, by the annual wishes of the Gibraltarians are a hitherto scarcely identifiable sides re-examine the situation.

UN resolutions calling for an still not taken at face value, but Gibraltarian esprit de corps and after the election.



The Rock of Gibraltur: political parties see need of clarify its status.

rather as a smokescreen to con-ceal darker colonial intentions. Spanlards but of work, is not Thirdly, the Spanish still have recognised by Spain. little conception of the feeling

The British for their part

among Gibraltarians towards tend to underestimate the extent Spain as a result of the closure of Spanish feeling on Gibraltar and this is likely to be put to the test again when the two

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Alain Cass, recently on the Thailand-Kampuchea border, reports on first attempts to resolve the plight of the Kampucheans

## Glimmer of hope for the rescue of a ravaged nation

HATRLINE CRACKS have region of "peace, independence, appeared in the deadlock over fredeom, neutrality, stability and the tale of Kampuches and its estitute people.

For the first time since Vietnamess forces overran Pnom Penh the move was seen as a a year ago installing the regime transparent attempt to exploit of Heng Samein, garrisoned the latent divisions within of Heng Samrin, garrisoned the countryside and settled down to equinityside and settled down to ASEAN over the one issue a war of attrition against the which dominates the area: rempants of the Khmer Rouge whether Vietnamese hegemony.

hy Mr. Tunku Ahmad Rithauddin, Melaysia's Foreign Minister, was a significant departure from the sterile politics of propaganda and con-

Mr. Rithauddin was despaiched by the Association of South East tary offensive against the military experts say forever—
Asian nations (ASEAN)—conguerrilla army of Pol Pot, the but it has the merit of being deposed Kampuchean leader, politically less contentious.

Inis may take ronger—source military experts say forever—but it has the merit of being politically less contentious.

The second explanation of Philippines—in response to the first collective statement of policy by the Soviet-backed

governments of Indochina In their first joint com-munique since 1975, Vietnam, Kampuchea and Laos called on Burma and the ASEAN countries to sign bilateral non-

Nothing concrete emerged from the talks, if only because rempants of the Khmer Rouge whether Vietnamese hegemony. February forces, there are signs of move and Soviet influence are a lesser out. evil in the long run than the spreading shadows of re-awakened Chinese nationalism.

But even an agreement to disagree is an achievement at this stage — particularly if, as seems possible though by no means certain, the prospects are reced-ing of a major Vietnamese mili-

namese can probably avoid in-the Soviet invasion of Afghanis-cursions deep into Thailand by their armoured divisions. These would almost certainly provoke a second Chinese invasion of Moscow Vietnam, carrying with it the China

ever. Vietnamese divisions remain deployed in strength, ready for just such an operation along Thailand's border. But to stand a chance of success by June, when the rains intervene, a major push by the Vietnamese would have to begin by mid-February, and time is running

One suggestion is that Hanoi now believes that it has made sufficient gains on the ground to ease up on its key objective of liquidating the Khmer Rouge and switch tactics for the time being to more limited "search and destroy."

This may take longer-

monsoon. Vietnamese quiescence, one
If this major offensive has described as "highly plausible" the only effective anti-Vietna- suggest that the Kremlin may
been shelved, then the Viet- by Western diplomats, is that mese force in the area. The be restraining Vietnam from what remains a major battleground between Peking and

aggression treaties and to dis- risk of drawing the Soviet Union Khmer Rouge with arms and cuss the establishment of a deeper into the conflict.



Russians meanwhile persist attacking Pol Pot in one major with an arms airlift to Hanoi— sweep. costing between \$2m and \$3m

solely responsible for sustaining Vietnam's presence in Kampu-

At a time when the Russians day—which is largely if not are preoccupied with consolidat-olely responsible for sustaining ing important gains in Afghanistan, it seems that the Soviet leaders are anxious not to be But there is now evidence to drawn into a clash with China

or to have to bear the increased burden of a major Vietnamese

The hope now is that if milltary conflict does not escalate in the next few weeks, the chances of a constructive political dialogue will be much

But there are clearly differences of emphasis within ASEAN which point to two basic options in any eventual political settlement.

● The first is that ASEAN would accept Vietnamese hegemony over Indochina and the indefinite presence of some Vietnamese troops in Kampuchea. This would be in exchange for the broadening of the Heng Samrin regime in Pnom Penh to include some non-Communist elements under the guise of a face-saving constitutional change which would include "elections."

Vietnam already appears to be preparing the ground for Such a solution would be favoured by Indonesia, Malaysia and the Philippines. They see a strong Vietnam as a buffer against China, which is seen to

balance in the region through the large Chinese communities Thailand and Singapore would regard the acceptance of Vietnamese hegemony as appeasement. They insist that any political solution must include a precise timetable for the withdrawal of Vietnamese

This is also the minimum which China would accept. Peking, which has considerable leverage over Thailand through the supply of oil and effective control of the country's dormant but powerful Communist Party, has recently been urging ASEAN to stand firm, using the example of Afghanistan to drive home its arguments.

However, the one major area of concern to Thailand, and to have been signs recently that united Khmer front between be subverting the delicate racial the Pol Pot forces and Khmer mirage.

Serei non-Communist groups as an alternative to early nego-

The predominant school o thought in Bangkok remains convinced that a well-fed and well-armed fighting Khmer force harassing the Vietnamese is the only real chance of persuading Hanoi to pull back its troops and settle on terms which would give South-East Asia a half-chance of fending off the spread of Communist

In the final analysis Kampuchea is trapped between the powerful and entrenched strategic interests of Hanoi and mined to resist Chinese influence and probably to retain the West, remains the refugees Peking sees Kampuchea as an who continue to pour across the extension of the Sino-Soviet dispirited, shifting popula- a major Russian foothold on its tion could pose a serious threat southern flank, remains a to Thailand's stability. There cardinal principle of its foreign General Kriangsak's regime has stances, the prospect of a been encouraging the somewhat neutral Kampuchea is, for the patchy attempts to forge a pathetic remains of its ravaged

## Rhodesia campaign opens with 700 nominations

BY BRIDGET BLOOM IN SALISBURY

THE CAMPAIGN for Rhodesia's tainees, held in Mozambique, British-supervised majority-rule election opened officially yes-terday when more than 700 candidates were nominated for 80 under pressure from the both in the election campaign black seats. Nine African parties Rhodesians, have hinted for and in Parliament. There are are contesting the election. One, the Zimbabwe United Peoples return is conditional upon the Organisation (ZUPO) led by release of the detainees as well Chief Chirau, failed to nominate candidates.

In an apparent effort to emphasise the need for national reconciliation, the leaders of the three major parties are all to stand in constituencies outside their own tribal areas.

Mr Joshua Nkomo, who is a majority Shona population.

Though Bishop Muzorewa, leader of the United African nominated for areas far from including Mr. Smith. their own tribal base.

but appears to have met with

British officials here, clearly as on a halt to what is alleged to be increasing and intentional ceasefire violations by guerrillas

owing allegiance to him. Mr. Mugabe's return, which his officials insist will take place next Sunday, is awaited with some trepidation but could well ease the problems of communifrom the minority Matabele, is cation which the British standing in Midlands which has administration has with the newly-arrived and apparently

disorganised ZANU officials. Meanwhile, the Rhodesian National Council (UNAC) and Front led by Mr. Ian Smith, Robert Mugabe, leader of Zim- has agreed on a list of candi-babwe African National Union dates for the 20 seats reserved Front led by Mr. Ian Smith, (National Front) ZANU-PF, are for whites. Most of those who both Shona, and are standing in sat in the last Rhodesian Shona constituencies, they are Parliament will stand again,

It is understood that a back-Meanwhile. Britain has been stage row preceeded the nominendeavouring to secure the re-lease of some 50 ZANU de-between Mr. Ian Smith and

his supporters and Mr. David Smith, the former Finance Minister, over the approach that white MPs should adopt, some days that Mr. Mugabe's suggestions that Mr. Ian Smith's continuing leadership

> While a split has been averted for the time being, the David Smith faction appears to have won agreement that the party will not align itself publicly with any of the African parties in advance of the election.

Mark Webster adds from Plumtree: The first 1,000 of an estimated 23,000 Rhodesian refugees in Botswana came across the border here yesterday as the first stage of a scheme to repatriate about 230,000 refugees got under way.

On Friday, the first refugees from Zambia are expected to be flown to Salisbury and Bulawayo, but most of the 60,000 estimated to be in Zambia will come by road. Soon afterwards the first of 150,000 refugees in Mozambique will start returning through Umtali.

## Bani-Sadr urges broader base for Iran's economy

BY SIMON HENDERSON IN TEHRAN

dependent on oil revenues, according to Mr. Abochassan Bani-Sadr, the Finance Minister. Instead he has spoken of the need to build up agriculture areas.

and small industries.
His comments, made as part of his campaign to be elected his country's first President in polis next Friday, emphasise the degree to which the revolu-tionary authorities are trying would manufacture utility rathto change the structure of the er than luxury cars. These

IRAN'S economy must be economy towards self-suffi-changed so that it is no longer ciency.

Mr. Bani-Sadr said villages must absorb unemployed workers and small industries should be transferred to the rural

In a separate announcement, Mr. Ali Akhbar Moinfar, the Oil Minister, said after a meeting of the ruling Revolutionary Council, that it had been de-

The country is now rapidly changing from the form it had

in the regime of the deposed Shah when it was a high-revenomy. Although with increased prices oil revenue has remained comparatively stable, it is becoming less crucial to the economy, according to the Govern-

In another election speech a longer need to import food and foreign trade.

should be manufactured locally few days ago Mr. Bani-Sadr priority should be given to rather than assembled as at presaid oil revenue was running allocating more agricultural sent, from imported kits.

at \$25on a year of which \$15on credit.

was being put into reserves. his latest speech that some Iranian towns and villages with Islamic principles. The lacked real economies and the result is frequently evident in national economy was being quasi-Socialist policies such as run on the income from oil.

Mr. Bani-Sadr's strength in Mr. Bani-Sadr, who is re- the present Government and garded as favourite to win the standing in the elections is built presidential election, said in on the respect given to him for

Agricultural land should be and insurance companies and doubled so that Iran would no the planned nationalisation of

### Moslem talks on Afghan venture to go ahead

By Our Foreign Staff
THE ISLAMIC conference to Palestine Liberation Organisation and four Arab states to boycott the talks unless the venue and date are changed. The decision to go ahead was

confirmed in London yesterday by the Islamic Council of Europe. Mr. Farouk Kaddoumi, chief of the PLO's political department and de facto Foreign Minister confirmed that his organisation would not be represented.

The PLO, Syria, Algeria. abya and South Yemen decided last week to call for a postponement and transfer of the conference to Saudi Arabia. Their move is seen as a device to avoid embarrassing pressure on them to criticise the Soviet

The five, who met in Damas-cus as the "Arab Steadfastness Front," decided that opposition to the Egyptian-Israeli peace his Government was determined brotherhood wanted to take treaty should take precedence to strengthen co-operation and vengeance for Soviet military and no-offence should be caused friendship with the Soviet intervention in Moslem to the Soviet Union, their main Union.

Afghanistan and also to di ally on that issue.

The Syrian Government has credit the Syrian Government.

### New safety measures for Assad's Soviet advisers

SYRIA and the Soviet Union refused to join the anti-Soviet discuss the Soviet invasion of have been in touch during the campaign over military inter-Afghanistan is to go ahead as past two days over a wave of planned in Islamabad on Saturassinations of Russian not attend a conference of day despite a threat by the military and civilian technicians Moslem Foreign Ministers this Palestine Liberation Organisasserving with Syria's armed week to discuss the intervenserving with Syria's armed forces and in development projects.

A message received by Presi-dent Hafez al-Assad from has taken towards the Afghan President Brezhnev on Sunday situation. was reported by Arab diplomats to be in connection with the murder last week of two senior Soviet officers in the central town of Hama, and the wounding of a Russian civilian engineer in Aleppo in the north. The two countries were reported to have decided to co-

civilian technicians stationed in Syria. There was no question T-72 tanks. of a Soviet withdrawal. The Syrian authorities have Dr. Abdel Rauf al-Kasam, blamed members of the militant Syria's Prime Minister, em-phasised in a speech in Damascus at the weekend that his Government was determined

vention in Afghanistan and will tion. Mr. Brezhnev has already expressed his appreciation over

Despite years of co-operation with Moscow, the Syrians have been careful not to admit an excessive number of Soviet military technicians.

The number of military advisers was increased recently from 1,500 to 2,000 to train Syrians in the use of sophistioperate in providing better cated weapons delivered after a security for the 2,000 Soviet visit to Moscow by President military advisers and 500 Assad last October. The arms

> Moslem Brotherhood for the killing of the Soviet technicians. Observers here believe the brotherhood wanted to Afghanistan and also to dis-

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## Israel approves more settlements

BY DAVID LENNON IN TEL AVIV

THE DEADLOCK in the negotation autonomy that not deterred Israel from pushing ahead with its plans to build more Jewish settlements on the occupied West ments on the Jordan and in the Bank of the Jordan and in the Gaza Strip.

Sunday, despite a report from suggestion that the Palestinians should have legislative and executive powers in the autonomous region.

Dr. Haim Kubersky, who headed the Israeli Autonomy team, reported that he found Egyptian officials questioning Gaza Strip.

The Government has West Bank and has ordered a study to be made of the possiility of building additional settlements in the Gaza only densely populated Gaza Strip. The decision was taken on rejected again the Egyptian

whole peace agreement.

Despite total disagreement between the Egyptian and approved the establishment of Israeli teams about the scope two new settlements on the of Palestinian autonomy, the Cabinet has decided to stick by its proposal to grant the Pales-tinians of the West Bank and Gaza only very limited administrative powers. It also

Dr. Haim Kubersky, who headed the Israeli Autonomy team, reported that he found Egyptian officials questioning the benefit accruing to Egypt from the peace treaty with Israel They posted that among Israel. They noted that among the Egyptian public the prevalling view was that Egypt had fallen from its senior position in the Arab world and the damage stemming from the peace treaty outweighed any

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Castro brothers daunted by domestic economic trouble and world political crisis

## Spectre of bankruptcy haunts Cuban regime

This fearsome view comes not from some diehard anti-Castro radio station in Miami, but from the mouth of President Fidel Castro's brother. Radio station and the presence of indiscipline, from the mouth of President buddyism" which buddyism which abolished 20 ministries and merged their functions with others and 11 people of ministries. from the mouth of President "buddyism" which, in addition
Fidel Castro's brother. Raúl,
the Cuban defence chief, in a
frank and extremely grave
analysis of the island's deepseated economic problems. seated economic problems.

economic crisis appears to have been aggravated by the emergence of the first signs of a dissident movement at home and by diplomatic problems stemming from the Soviet invasion of Afghanistan. The will of the Castro brothers to rule and to rule successfully has probably never been more strenuously tested than today.

Having raised the spectre of the fate menacing Cuba, the President's brother was of course quick to proclaim that the island's Marxist-Leninist form of government and the help it received from elsewhere, particularly the Soviet Union, was protection enough against economic cataclysm. But General of the Army Raul Castro made no bones about the challenges facing Cuba.

The world economic crisis, runaway inflation and low prices for Cuba's sugar, which accounts for all but a fraction of its export revenue, are all damaging enough. But Raul Castro hinted that the country might not be earning enough to cover the production cost of its main crop. Worse, blue mould disease was affecting Cuba's tobacco fields for the second season running, and sugarcane smut plague was going to hit output levels this season.

The result, he said, was that the Cuban in the street could look forward to no material improvements in his position. And the President's brother was courageous enough to confess that Cuba's ills could not all be also be improved. blamed on the U.S. blockade, the crisis of capitalism or the wrath of nature, however often the President regarded as in-

Iowa Presidential caucuses in Series.

The Pittsburgh Steelers, the Reagan and Mr. Jerry Brown.

dominant team of the last But the comparison is facile,

decade, won its fourth title in since the ageing, retiring Mr. the past six years by overcoming a stubborn Los Angeles Rams planetary Mr. Brown bear little

outfit by 31 points to 19. The character resemblance to the

Pittsburgh continues to hold the Rams team, who fought the

U.S. offers Egypt \$1.1bn

THE U.S. is prepared to offer was able to elicit from the Carter

Egypt an additional \$1.1bn in adminstration only a promise of

military credits over the next an additional \$200m in military

two years, principally to finance aid to supplement the \$1bn a purchase of the sophisticated year it already receives and the F-16 fighter aircraft.

The proposal, which requires marked for the 1979-81 period.

The pledge to Egypt seems age announced after the concertain to create problems in clusion of the Egyptian-Israeli

volving Israel at a time when promised a three-year \$1.5bn the Israeli-Egyptian negotiations military aid package.

have reached an apparent counter Israeli complaints by impasse, probably requiring U.S. arguing that, even with the mediation. Israel will con-

publicly it opposes sales of such aid than Egypt — and that, in advanced equipment as the F-16 any case, the extra \$1.1bn is far

to an Arab country, was less than President Sadat recently disappointed when it requested.

for F-16 fighter aircraft

victory means that sweaty, gritty behemoths of the

Sunday's victory by Pittsburgh over Los Angeles in the Super

Bowl, the American football

Congressional approval, is seen

here as a major commitment to

strengthening President Anwar

Sadat's régime and is part of

the emerging global strategy of

the triangular relationship in-

on autonomy for the West Bank

Israel itself, which has said

actively meeting the security balance requirements of close U.S. year:

championship.

sectors of the population." Particularly in agriculture,

Sr Castro charged, many people were working only four to six hours a day. The norm system was being widely abused, with people fulfilling their norm two or three times over in one day and then knocking off for two days. There was unwillingness to overfulfil norms lest they be increased, but this was not all the fault of some lazy workers. Some functionaries were clearly

Report by Hugh O'Shauguessy, Latin America Correspondent

living a life of Riley, with cars and other luxuries provided to them for their jobs.

Sr Castro's speech, delivered in Santiago, the capital of Eastern Cuba late last year, was rapidly followed by the sacking of the Transport Minister in December. Transport, particularly urban passenger transport, with city dwellers and managers The former find the alike. buses to take them to work or to the shops erratic and unreliable; the latter are often harassed beyond patience with the difficulties of making their factories and offices work and on time. railways need modernisation and the inter-city buses could

However, worse was yet to come for those at the top whom

On the face of it; Sunday's

result was a bad omen for the two principal Californian Presi-

dential candidates, Mr. Ronald

According to published reports, \$350m of the additional

\$1.1bn for Egypt will be dis-

bursed in the fiscal year beginning in October, with the

balance in the following fiscal

peace treaty last year, Egypt was

tinue to receive more military

Under the military aid pack

is expected to

people's irritation. In recent months signs have appeared of an emergent dissident movement. The President's brother had talked before of "little groups of intellectuals," sitting in judgment on the revolution. Then last month reports from diplomats in Havana that walls been daubed with anti-Castro slogans and that handbills had been found were confirmed by reporters usually favourable to the Government.

Unrest has also been manifest in the bids by Cubans to reach asylum in the various Latin American embassies in the capital - principally the Venezuelan mission, but last week also the Peruvian. The Committees for the Defence of the Revolution, the Government's neighbourhood support groups, have been altered.

Lest the U.S. Government or U.S. citizens be tempted to take advantage of a difficult internal a Cuban court sentenced U.S. citizens who had been caught distributing bible tracts from a light aircraft to 24 years imprisonment each. The punishment could be seen as a warning to the CIA and the Miami anti-Castro diehards that the Cuban Government has not forgotten the efforts to deslabilise it in the early 1960s.

As if this was not enough to the Castros' rule the Havana Government has this month been facing the issue posed by Afghanistan. For some days after Moscow had sent troops to Afghanistan Cubau representatives at the UN and elsewhere preserved something of a silence about the moves, not joining in the chorus of sup-German regime mounted.

It's not quite the same as politics, but almost

READERS of the political runes championships of both major Steelers so hard, belying the candidate refusing to accept out life as a sports broadcaster were struggling yesterday to American sports, as its baseball laid-back mellow image that federal funding for his camon early radio (in low no find lessons for last night's Pirates won last year's World California so often presents to paign) must be disappointed lesson.

Adherents of the George Bush school of politics, who believe

anything is possible if you run

long and hard enough, could

take no consolation from the

fact that the Super Bowl, one

of the best in recent years, was

decided by Pittsburgh's use of

By David Lascelles in New York

NEW YORK judges are con-

sidering an appeal by Mr. David Edwards, the former

Citibank employee who claims he was dismissed from the

bank in 1978 after trying to

uncover questionable foreign

Mr. Edwards's suit, under which

he is claiming \$14m in damages, was dismissed on a

the bank managed to prove

that he had no employment

Mr. Edwards charges that

several European Citibank branches transacted foreign

exchange at artificial rates so

as to "park" profits in low tax centres.

technicality last June when February 18.

An investigation by Citibank's of-centre group, received six.

exchange practices.

the outside world.

Citibank

emplovee

appeals



The brothers Castro, Fidel (left) and Raul

Comecon and voted in favour military vigilance will have to of the invasion of Afghanistan be paid in yet another brake on when the vote was taken in the UN General Assembly. But the initial Cuban hesitation appeared to confirm that Fidel Castro was at least as embarrassed by Soviet conduct in Central Ásia -as he had been over their invasion of Czechoslovakia in 1968.

The Russian Afghanistan, widely condepaned in the Third World, was difficult for the Cuban Government to handle. Cuba's economic reliance on the Soviet Union counselled support for the invasion, while Castro's desire for personal leadership of the Third World suggested that a less enthusiastic reaction would be more politic. In the end the more pressing economic reasoning outweighed the more ambitious diplomatic aspira-

The decision to back the Soviet invasion has brought more difficulties than increased strain in relations with the Third strengthened the arguments of the hawks in the U.S. that it is time Washington "did some-thing" more hostile against the Marxist-Leninist presence on its

It is probably realistic to think deteriorate a great deal before the U.S. started overt military against the Cuban The Cuban delegation even- worrying for the leadership in annals of world revolution.

that the Pittsburgh side was

promising college players.

runs in races, but does not

Mr. John Connally, who seems Mr. Bush like tennis. Senator believe that money can buy Kennedy sails and plays touch the Presidency (he is the only football. Mr. Reagan started event

built not by expensive forays inflation has done to the cost

into the transfer market but by of staging, and attending, the

careful early recruitment of Super Bowl. Ticket touts were

sporting connections. Mr. Carter price, and CBS television in-

Poll puts Liberals ahead

ONTARIO, THE most populous thinly populated and have few Canadian province which put seats in Ottawa.

Mr. Joe Clark and the Progress On a national basis, the CTV

sive Conservatives into office poll gave the Liberals 51 per

per cent.

of Tories in Ontario

BY ROBERT GIBBENS IN MONTREAL

last May, seems to be swinging

away from the Tories ahead of next month's election.

television network gave the Tories 35 per cent of the votes to be cast in Ontario on

Ontario has 95 of the 282

seats in the Canadian House of

Commons. Its results are crucial

because the second-biggest pro

vince, Quebec, is safe ground for the Liberals. Last May the

Conservatives took- 57 of the

these charges produced evid-doing better than expected in markets will be priced at the prairie provinces, where the U.S.\$4.47 per million BThU. CTV poll gave them 43 per cent. from February 17, up from "systematic wrongdoing."

The minister also announced that natural gas for export markets will be priced at the prairie provinces, where the U.S.\$4.47 per million BThU. The prairies, however, are U.S.\$3.45.

BY JOHN WYLES IN BRUSSELS

Ontario seats, the Liberals 32, and the New Democrats, a left-

A poll conducted by the CTV

Some of the candidates have and peanuts were doubled in

economic productivity.

The multiple problems besieging the Cuban Government have not so far persuaded President Castro to withdraw his troops from Africa, where 19,000 are on duty in Angola, a further 15,000 are based in Ethiopia and more than 1,000 are in other spots from Sao Tome and Principe to Zambia. Nor has the role of Cuban civilian technicians, of which there are reported to be 6,500 in Angola alone, been reduced so far. Some diplomats suggest that by encouraging African governments to pay for Cuban

currency from Africa. Cuba has taken foreigners, mostly Africans, for training in its own schools, often at a very young age. Western diplomats reported that 600 Congolese schoolchildren aged not more than 12 arrived in Havana in November for courses lasting up to 13 years, double that number left Ethiopia for Cuba in the same month.

services Cuba will start earning

substantial amounts of foreign

For a country with a population of less than 10m and with the difficulties Cuba faces, the effort spent fostering that relations between Washing- foreign relations is little short ton and Moscow will have to of phenomenal. It is under standable only in the context of the driving personal ambition of President Castro to secure for port that, for instance, the East Government. But the potential himself and his country the threat from the U.S. must be largest possible place in the

All, of course, would be

appalled; if asked, about what

getting up to \$500 a ticket, beer

vested millions of dollars in

cent, nine points better than in the last opinion poll. The Tories

were down seven points to 31

Victor Mackle reports from

Ottawa: Mr. Ray Hnatyshyn, Canada's Minister of Energy,

Mines and Resources yesterday

announced increased prices for

natural gas in both domestic and export markets.

gas will rise by 15 cents to C\$2.30 (87.5p) per million British thermal units on

February 1, under the existing

not complement the EEC's

needs. This meant, in effect, that there were too many dom-

estic Community interests which felt themselves threatened by

an agreement which would be

natural gas pricing.

Canada-Alberta agreement on

tor (such as beef and veal) did slav product after another.

The domestic price of natural

## China deficit doubles

doubled to around \$2bn (£880.4m) in 1979 from a 1978 deficit of about \$1bn, the Japan in 1979, JETRO said. External Trade Organisation China has been assure

(JETRO) said in a survey. It estimated that Chinese exports rose to between \$13.2bn and \$13.5bn from \$10.3bn in 1978, while imports rose to between \$15.3bn and \$15.5bn from \$11.35bn a year before.

Exports to non-Communist countries rose, with Japan becoming China's largest market and Hong Kong falling to second place followed by West Germany. Singapore and the U.S. JETRO sald.

To diversify its export partners. China started selling crude oil to the U.S. and Italy

from Western industrial nations increased sharply, notably from Britain, The Netherlands and

last year. In the import sector, imports

rates in international money. markets. Reuter. Tony Walker writes from Peking: China has the potential

to become very powerful economically, by the year 2000, difficulties it would have to overcome, Mr. Isamu Miyazaki. Japan's Economic Planning Minister, said.

Chinese economic planners, said China would have to combat inflation and unemployment

The Minister said that one of

The Minister said that one of the difficulties he had exGovernmental and private foreign loans estimated at \$200n but actual loans are believed to be small due to higher interest rates in interest of the Minister said that one of the difficulties he had exwith his Chinese counterparts was that often Chinese economists spoke a first rates in interest rates in interest.

ment directly advises the Japanese Prime Minister, said he hoped that his discussions last week would lead to a regular round of talks. Such as Japan had with the U.S. and

 Nichimen, a Japanese trading concern, has signed an agree ment to provide Y3.4bn (£6.3m) in loans to China to help Mr. Miyazaki, who spent last finance a large-scale agricul-week in discussions with senior tural project in Heilungjiang province in north-eastern China AP-DJ reports from Tokyo. The loans will be used chiefly to as it sought to modernise its import agricultural machines economy. He described China's from the U.S.

### Swiss trade gap soars to £1.3bn

By John Wicks in Zurich SWITZERLAND'S trade deficit reached SWFr 4.7bn (£1.3bn) last year—sine times the 1978 figure of SwFr 520.4m (£144m). The deficit was the highest since the record SwFr 7.57bn in 1974.

The Swiss Customs Direchalf of the 1979 deficit was due to the increase in the oil price. This and other rises in overall prices meant that in real terms, imports grew by 9 per cent and exports by 2.2 per cent.

Neminal totals show a jump 15.2 per cent. SwFr 48.7bn in imports, and a rise of 5.4 per cent to SwFr 44bn, for exports. The figures point to a marked decline in Switzertand's traditional surplus on current account. A recent study by Union Bank of Switzerland points to a further reduction for the

### Car sales fall in Holland By Charles Batchelor in Amsterdam

CAR SALES in the Nether-lands, composed almost entirely of imports, fell for the first time in five years in 1979, according to Motor Industry Association (RAI) figures. Sales fell 2.7 per cent to 568.870, though a change in the basis on which the figures are calculated meant the relative decine was

General Motors sold 91,164 cars, most of them Opel models, and took 16 per cent of the market compared with 14.9 per cent in 1978. The combined sales of the Pengeot-Citroen-Talbot group were 88,782, or 15.6 per cent of the market compared with

18 per cent. Ford took third place with sales of 63,243 and a market share of 11.1 per cent against share of 11.1 per cent.

The Japanese manufacturers
—Daihatsu, Datsun, Honda,
Mazda, Mitsubishi, Subaru and Toyota-sold 110,969 cars and took 19.5 per cent of the market against 18.8 per cent.

S. Africa-Zambia link The South African and Zambian Governments are negotiating the introduction of a direct passenger air service between Johannesburg and Lusaka. According to Dr. Kobus Loubser, South African Airway's general manager, the service will begin " in a very short time" if Zambia agrees to proposals made by SAA, Bernard Simon writes from Johannesburg.

Eastern RB-211 loan Guarantee Department has guaranteed a \$156m loan which Lazard Brothers, acting on its own behalf and for a syndicate of banks, has made available to Eastern Air

Lines to finance a contract for supply RB-211 aeroengines.

By the time this was com-

## Israel hopes for £1bn UK business

BY ANTHONY McDERMOTT

ing to Mr. Gideon Patt, the Minister of Commerce, Indus about 100 projects for Britain try and Tourism, at a Press conin Israel "in the pipeline," and ference in London yesterday. At present Anglo-Israel trade runs at about half this level.

Mr. Patt, whose six-day visit to attend the fourth meeting of the Anglo-Israeli joint economic commission ended yesterday, said that in 1979 Israel's exports Britain totalled £227m against imports valued at £270.6m.

During his visit, Mr. Patt has met with numerous government officials including Mr. John Nott, and Mr. Cecil Parkinson, respectively Secretary and Minister of State for Trade. Mr. Parkinson has agreed to lead a delegation of industrialists to Israel in April or May.

Anglo - Israeli trade has changed in composition particularly since the beginning of the 1970s. On the British side there has been a marked 🖜 Starting January 27, El Al shift away from exporting will operate a twice-weekly serdiamonds towards equipment vice between Tel Aviv and and technology, and on the Cairo. An Israeli delegation is

gradually away from consumer

ISRAEL hopes that within three items, such as textiles and agriyears trade exchanges with cultural products, towards in-Britain will reach £1bn, accord- dustrial products. Mr. Patt said that there were

that the fact that these were mainly concentrated in the areas of optical equipment, computers and telephone exchanges re flected the complementarity of the two countries' trade. Israel is also especially keen to market its electronic equipment in

Mr. Patt said that Israel had received a sympathetic hearing from Britain to the problems it may face with the enlargement of the EEC to include Portugal Greece and, in particular, Spain He said that Israeli studies of the effects of tariffs, Common Agricultural policy and subsidies could result in the collapse of 40 per cent of the Israeli food processing industry. In addi-tion, as quotas and subsidies were altered with new membership, the textile industry would be badly hit.

Israeli side exports have turned, expected to leave for Cairo this

### Japan companies nervous over Iran plant deadline

THE JAPANESE partners in Japanese Government the Iran-Japan Petrochemical construction.

"We are preparing for everything," said an official of Mitsui and Co., which heads the

partner if renewed Japanese co-operation is not forthcoming

Last week Japanese officials Company, which is building the asked a U.S. envoy during conpetrochemical complex in sultations on the issue of Bandar Khomeini, are respond- economic sanctions against Iran ing nervously to the two-week for the petrochemical complex deadline issued by Mr. Ali to be exempted from any sanc-Akbar Moinfar, Iranian Oil tions. Japan feels that the Minister, for a restart in losses which would result from cancelling the project would be too great to bear.

Japanese officials are trying to salvage whatever they can of five other Japanese companies the country's economic relations involved in the complex, with Iran. They are narries. involved in the complex.

The plant is about 85 per cent complete, and Mr. Moinfar is threatening to seek another also threatened) if Japan goes along with U.S. proposed sanctions.

The Japanese Government has The Japanese partners say yet to formulate its response work could be resumed on the to the U.S. proposals. It is trying stalled project within the two- hard to delay any actions until week deadline. A decision to do America's European allies indiso, however, depends solely on cate what concrete steps they the position taken by the will take.

## French loan for Brazil

FRANCE IS making an \$850m

borrowing facility available to the State of Sao Paulo in Brazil to help with the financing of a \$3bn hydro-electric scheme due to be completed in 1984. The loan underlines the

developing trade links between France and Brazil, which exchanged about \$1.3bn worth of goods in 1978. Although the two countries do not have a long history of close commercial colaboration, Brazil is gradually climbing up the table of France's foreign suppliers, where it has reached the 17th position. Brazil also buys 4 per cent of its imports from France.

The loan is not tied to any supply agreements from French companies and it is clear that the French will be aiming to win contracts for the three power stations involved mainly through their subsidiaries in Brazil. The Brazilian authorities have indicated that about 70 per cent of the material for the power stations will have to be manufactured by locallybased groups. Terms for the loan have not been revealed, but it is known that it will be stretched out over 10 to 20 years depending on the item being

## Afghanistan invasion gives new impetus to EEC-Yugoslav relations

Governments have been notably diligent in issuing declarations about their desire for even links with Yugosalvia, but they the back of the two-year-old have also been dilatory about negotiations must be broken by

been raised by both sides, but the negotiations on a new co- Roy Jenkins, the Commission operation agreement to replace President, will set the seal on one which expired in August, a new era for EEC-Yugoslav 1978, have been especially pro-relations with a visit to Bettracted because each member grade in the middle of next state's desire to protect its own month. interests has whittled away the If a new deal is obtained in European Commission's room the next fortnight, it would for negotiating position.

Ministers occasionally take to country, with the possible exsend a burst of adrenalin ception of Turkey. throughout the entire Com- Yugoslavia has i munity system.

IN RECENT YEARS EEC by a major threat to post-Tito risk of which the Tito Govern- the Yugoslav point of view, "orientation." In effect ,they decided that

the time of their next meeting The difficulties, of course, have in early February.

seen raised by both sides, but If their aim is achieved, Mr.

If a new deal is obtained in mean more extensive poli-A promise of rapid change tical and economic links with emerged last week through one Yugoslavia for the EEC than

Yugoslavia has insisted, how- and unity system.

ever, that any agreement must since 1978, has not produced view was that the widening tiating mandate for the Com-Whipped into line by the fear be dressed up in such a way as a positive transformation in trade deficit was a pity, but what mission, it became open season that the Soviet invasion of to avoid compromising its EEC-Yugoslav trading relations. Yugoslavia had to offer, parti- for every member to see the Afghanistan might be followed cherished non-aligned status, a Quite the reverse in fact from cularly in the agricultural sec- shadow of danger in one Yugo-

Yugoslavia, EEC Foreign ment has long been aware.

Ministers issued a crucial new When the first three-year nonpreferential agreement, signed from \$81 in 1970, came up for renewal in 1978. with the EEC, the Yugoslavs. At the were offered a preferential agreement which would broaden their co-operation with the Community and offer poten-

tially greater access to its market for Yugoslav agricul-tural and industrial products. But the Yugoslavs opted, instead, to retain its most favoured nation designation giving it EEC non-preferential agreements with developing countries, and with the generalised system of preferences which imposed quota of those decisions which EEC with any other developing ceilings on most of its products. Partially as a result, the five-

year agreement signed in 1973,

temporarily extended

since the country's trade deficit with the Community soared from \$886m in 1978 to \$2.7bn At the same time, the share of Yugoslav exports taken by Comecon countries climbed

truly useful to the Yugoslavs.
This has remained true, de-GEC Electrical Projects of Rugby, have received a £14m order covering the supply of complete drive systems for a fullycomputerised cold rolling steel mili complex for Metalurski Kombinaat Smederevo (MKS) of Serbia, Yugoslavia. The order has been received from Davy Loewy, the main contractor, and follows over two years of tendering activity against world-

per cent, and the political im- spite the Yugoslavs accepting cently started to trouble the

wide competition.

Officially, the Community's

nlications of this have only re- about a year ago that a preferential agreement promised more substantive benefits. When the Nine started to develop a nego-

pleted, Belgrade found itself confronted with an offer which placed some 60 industrial items under import ceilings. Under to and bu existing procedures, this meant few days. that the affected products, ranging from glass items and leather goods to non-ferrous metals and chemicals, would enjoy free entry up to a specified volume, after which a tariff would be automatically imposed if so requested by a member state. By early last summer the Yugoslavs were beginning to ing throug the list with Yugo- EEC and the Commission is now slav negotiators as a prelude to asking for complete duty-free credits.

member governments. It is these Commission proposals that the Nine must immediately react to and build on during the next the proposed agreement which

On the industrial front, the Commission has suggested allowing free entry for a number of items, including cement, cellulose nitrate and wickerwork items. It has proposed raising the ceilings on entry of other more sensitive items, while another 16 products, exported out of the Osimo free Yugoslavs were beginning to control young the second of the items the EEC traily would be subject to claimed that only about 10 per import ceilings but would suffer cent of the items the EEC tariffs if they breached them wanted to circumscribe, cover only at the request of Italy.

The Nine will also have to the cover only at the request of Italy. were really "sensitive" from grasp an ever-painful textile the Community's point of view nettle. Yugoslavia agreed in The Commission then spent 1977 to quantitative restrictions the next several months comb- on its textile exports to the

tabling proposals for an im- entry for some of these proved negotiating mandate to products. scrapping a safeguard clause in the proposed agreement which

would leave the EEC free to impose unilateral measures if there is "exceptional" dis-ruption in the market for & product. In the agricultural sector, the Commission wants to raise the quotas on Yugoslav baby

The non-trade aspects of the proposed agreement would include exchanges of economic investment, promotion of joint

beef above the limits previously

proposed and also to cut tariffs

and raise the quotes on its

quality.

forecasts, encouragement of industrial and agricultural ventures more European Investment Bank loans for ventures, Yugoslavia at well ag trade BY RAY PERMAN, SCOTTISH CORRESPONDENT



## More lay-offs likely at BSC

0r

ness

eadline

RRITISH STEEL'S Stanton works, at likeston, Derbyshire, which sent home nearly 1,000 workers last Friday, may lay off most of its remaining 3,000 employees this week as a result of the heavy picketing which yesterday halted deliveries of finished products,

Only 120 employees, members of the National Union of Blastfurnacemen, are officially on strike. Half of these are not involved directly, since they are engaged on separate contracts which last until May.

The strikers were far outnumbered by about 400 pickets who arrived yesterday from Teesside, South Wales, and Corby, Northants. They hampered deliveries of finished pipes. The plant said last night that if this pressure is maintained it will probably have to stop work and lay off most of the rest of the workforce this

The main steel union, the Iron and Steel Trades Confederation, has no members at Stanton, where, apart from the blastfurnacemen, most of the staff belong to the General and Municipal Workers' Union, the Transport and General Workers' Union and the Amalgamated off Union of Engineering Workers. ing.

Yesterday's picketing was largely peaceful. It succeeded through sheer weight of num-bers. The blastfurnacemen's action has already resulted in the closure of the central melting plant, Distribution of metal been made impossible. Lost

production has been costing about £500,000 a week, and the

first of more than 500 men to

be made redundant there will

leave later this month. Pickets were also reported outside private steel stockholders in several parts of the country, although most warehouses are still functioning normally. The National Associa tion of Steel Stockholders said that while picketing in the North East had slackened off slightly, there had been new

cases in Dorset and Scotland. GKN Steelstock, the biggest private steel warehouse group, said that picketing had started at its warehouse at Trafford Park, Manchester, but that its headquarters at Wombourne, near Worcester, was now picket-

NASS added that stocks of steel were still high. But if next week's threatened ISTC strike in the private sector went ahead, the tap would be turned off and stocks would start fallSTEEL STRIKERS in Scotland stepped up their action yesterday when they sent fly-ing pickets to Aberdeen to block the movement of steel and steel products to offshore oil rigs and platforms.

The strike committee, based in Motherwell, has decided to intensify picketing of manufacturing industires, begun last week in defiance of begun last week in defiance of official union policy. Other unions have agreed to support action against manufacturers so long as it only involves raw steel. Finished products and other materials are not regarded as legitimate

Picketing of manufacturing industry has yet to bite in Scotland, since most com-

panies have stocks of steel on the premises sufficient to last for a few weeks or are still receiving some supplies from stockyards. However, several stockholders have had to close or limit deliveries.

operating in Scotland has been increased to between 600 and 700 following the decision by steel industry craftsmen to join members of the Iron and Steel Trades Confederation. Mr. Pat Shevlin, spokesman for the strike committee, said

that the busicad of 30 pickets sent to Aberdeen intended to prevent material being transerred to offshore ferred to offshore supply vessels. This would hinder would be picketing

the four main steel stock-holders in Aberdeen and the yards where pipe and other equipment is stored by com-panies working offshore until it is needed. Most of these depots are some distance

### Effect

"If we find the kind of cooperation from other unions we received in the West of Scotland, we will be able to hit the production of North Sea oil by picketing their suppliers," Mr. Shevlin said.

But the steelmen are unlikely to have much effect on offshore work unless the strike is prolonged. Most drilling rigs and production plat-forms have large stocks and little raw steel is used off-

Dockers and hanlage drivers are unlikely to refuse to move finished products. Mr. Bill Reid, Aberdeen area secretary of the Transport and General Workers' Union, said his members would be his members would be expected to comply with union policy in refusing to handle steel.

But he added: "I doubt if we would regard pipes or other goods as legitimate targets for pickets. We are in dispute with the British in dispute with the british Silee Corporation, but most drilling pipe used offshore comes from West Germany, Japan or elsewhere abroad."

## Jobs and plants threatened, say private producers

BY MAURICE SAMUELSON

PRIVATE STEEL producers yesterday warned of job losses and possible closures if their 20,000 employees who belong to the Iron and Steel Trades Confederation come out on stirke

Mr. John Paterson, president of the British Independent Steel Producers Association, appealed for the union to reconsider last week's decision to call a strike from Monday in solidarity with strikers in the State-owned

He said in London that his sember companies were angry at the move.

"The private sector companies are not in dispute with employees — they have entirely separate bargaining arrangements from the British

Steel Corporation, The union agrees it has no dispute with private sector companies,". he

Mr. Alec Mortimer, the asociation's director-general, said they supported the Government's general policy towards industry and the unions. In no circumstances would the association put pressure on the Government to concede the union's demands.

The producers' body represents more than 100 companies. virtually the whole private sec A third of its 60,000 employees belong to the ISTC.

Mr. Mortimer added that the private sector had been one of British industry's success stories and the strikers' actions against it were vandalism.

Audit 'gave cause for alarm'

Mr. Paterson, in his warning about closures, pointed out that profitable private companies were unsubsidised and could not sustain prolonged losses. Local polls and meetings showed that workers in the private industry did not wish to join the national

Management was determined to provide work for as long as possible but the resolution of the dilemma lay in the hands of

Mr. Paterson said the union's suggestion that private companies should protest to the Government was "arrogance."

"Our protest is to the union against its short-sightedness and lack of regard for the welour employees," he

He later received a letter

which said "necessary changes

He was unable, however, to

He said that while he was an

about the Scottish operations.

The other major scheme

currently under way is a refur-

bishing of former weaving sheds

at Prestwich. The project is being carried in conjunction

with Mount Heath Properties

It involves converting 200,000

sq ft of factory space into 14

separate units of varying size totalling 145,000 sq ft.

gest factory, blames the steel

strike and uncertain trading

conditions for the cutback. The

lay-offs come only weeks after

the closure of the Bata shoe plant, also a major part of the

Managing director Alan Miller said negotiations with the unions have already started

Cumbrian shoe industry.

Ransome Hoffmann

MR. JOHN ECCLES, who was

Pollard chairman

at a cost of more than £1m.

Miller's

return to Scotland as an em-

because of other work.

## to close factory

will result in the loss of about

Mr. Frank Jowett, a director of Sandvik and head of the company's steel division, said the decision to close the factory was reached following very heavy operating losses.

have been suffering from a diminishing market for large diameter stainless steel pipe because of the international slowdown in capital investment, notably in chemical, petrochemical and nuclear industries. Added to this, there is now over capacity for this type of pipe production in Europe and

modern plant for welded pipe in ferrous and non-ferrous materials, to enable this type of production to remain in the

### **Auditors** knew of dressing'

appearing for 29 partners in chartered accountants Harmood Banner and Co., now part of Deloitte Haskins and Sells, who deny that they negligently audited accounts of two com-panies in the London and County Securities group.

tors' negligence, it is alleged. Mr. Hamilton told Mr. Justice Browne-Wilkinson that the auditors admitted that they knew there was an element of window dressing in the 1973 accounts of London and County Securities Limited and its hold-

What was at issue was the extent of it—"and what on earth we could have done about

A committee had been look ing into window dressing for some time, but had not yet recommended how to deal with the problem, said Mr. Hamilton. Damages are being claimed against the auditors by 11 companies in the London and

Nicholls, QC, said there had been "a flury of activity in the money market" by group com-panies immediately before the end of its financial year on March 31, 1973. This was designed to distort the picture of the group's liquidity position.
The judge had to look in the
accounts for "window dressing"
transactions which seemed not to have been entered into for ordinary commercial banking purposes but to artificially

liquidity ratio, he said. "A clear picture emerges that undoubtedly substantial steps were taken to enter into abnormal transactions, having as their object the creation of a state of affairs on March 31

The hearing continues today.

### Maternity plea

# steel pipe

Scandinavia.

stock, the company's stockhold-ing operation, and through the

ing company, London and County Securities Group Ltd.

also wants the grant to be non-

# Sandvik

THE STEEL division of Sandvik UK is progressively to cease pipe manufacturing at Bentham, Gloucestershire, this year, which

"For some years now, we

Sandvik will continue to market and distribute welded pipe in the UK through Super-

Projects Group.
Sandvik will also continue to eek a purchaser requiring a

accounts was almost universal in secondary banking, and auditors could do nothing about it, a QC said in the High Court vesterday. Mr. Adrian Hamilton, QC, was

Group companies lost about £8.5m as a result of the audi-

County group.
Their counsel, Mr. Donald

create an impression of a high

which would not have been created had that not been the

THE SPASTICS Society has called for the state maternity grant to be raised from the present £25, set in 1969, to £100 to compensate for inflation. It

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## **Construction orders** show 8% fall

BY MICHAEL CASSELL

THE VALUE of new construction orders won by contractors the three months to the end of November showed an 8 per cent fall over the previous quarter, said the Department of the Environment

Provisional figures from the Department indicate that orders between Septemi er and Novem ber, expressed in constant (1975) prices, were 12 per cent down on the same period 12 months earlier.

In November alone value of all new work taken on by the Britain stood at £468m, against £499m in the previous month

and £474m a year earlier.

November were down by 19 per cent over the preceding three months, and 37 per cent lower than 12 months before. Private housing orders were

6 per cent lower than in June to August and 3 per cent down September-November 1978. Public works orders received by contractors in the latest quarter were 29 per cent lower than in the preceding three months and 38 per cent down

Private industrial orders were, however, 6 per cent up on the June-August period and construction industry in Great 27 per cent higher than in the same period a year before.

Private commercial construction orders were 21 per cent up in September-November and 11 per cent higher than 12 months before.

### The Department said new orders in public sector housing between September and end Pensioners take up new

retirement certificates

PENSIONERS took advantage of their entitlement to an extra £500 worth of index-linked retirement certificates in December, according to Depart-

ment for National Savings

The increase in the maximum holding from £700 to £1,200 at the beginning of the month was responsible for the Retirement ie's record monthly receipts of £150.6m. This performance contributed to total National Savings receipts of £329.5m in December, or net new invest-ment of £130.7m after repay-ments of £198.8m. These figures

include accrued interest. other index-linked security, 3rd issue Save As You Earn, also showed an excess of receipts over repayments with

a net intake of £9.5m. On the other hand, a net outflow of £27m was recorded from fixed interest National Savings certificates. The Department feels this could be explained by people planning to switch to the over the next six years, just to higher yielding 19th issue, accommodate school leavers. yielding 19th issue, accommodate school leavers.

poverty traps, ethnic ghettoes, violence, and physical and moral decay unless the Government

commits itself to a revival of inner cities, Mr. Peter Shore, the former Environment Secretary,

Mr. Shore, Opposition spokes-

man on foreign affairs, was giving the Thomas Cubiti Lecture on "Urban decay: its symptoms and remedies," at the

Royal Society of Arts in London.

ment to resource and financial

cities' favour for at least a

such action could supply the

confidence needed to encourage

Health services in the inner

There must be a commit-

discrimination in the inner fostered.

decade ahead," he said. Only grammes there should be a sub-

said last night.

and British Savings Bonds. provisional receipts (including

## to attract jobs

which goes on sale on February 4. Substantial outflows were

the financial year 1979-80 net accrued interest) amount to

After the first nine months of £877.2m (£812.4m). The total remaining invested at the end

county with one of the fastest population growth rates in the UK, has launched a \$40,000 campaign to attract jobs. Mr. Bill Morton, chairman of the county council's planning committee, said that the county would need another 32,000 jobs

and a sensitive modification of

regional commitments made in

The "modest" three-year

and inner cities

economic

programmes of cleaning and

re-using urban land should be

should have clear priority over

the rest of their regions in in-dustrial assistance, Mr. Shore

The involvement of local

people in inner-city revitalisa-

tion should be carefully

In inner-city partnership pro-

development uniting coun-

cillors, leaders of industry and

committee for

favour of inner cities.

### also recorded by the National Savings Bank ordinary account

## Northants drive

NORTHAMPTONSHIRE,

## of December was £12.5bn.

### over William Press wages ROUTINE andit of William June, 1973. He had investigated meeting with Mr. Buckley and Press operations in Scotland had disclosed matters "which gave cause for considerable

alarm," a court was told yesterday. Mr. Alec Ayliffe, the com- Edward Swaysland, a partner at introduction of new systems, pany's former internal audit Tansley Witt, that apparently which said "necessary changes manager, said he had told Mr. when men worked overtime the have been made and the Scottish area manager, that the system of paying tax-free over-time to William Press employees as if they were on

the payroll of a labour-only sub-contractor was unlawful. Mr. Ayliffe was giving evidence on the sixth day of committal proceedings against William Press and 11 of its executives who are charged with

conspiracy to defraud the Inland Revenue. Two other men are charged with false Mr. Ayliffe said he was sent, as an employee of Tansley Witt, accountants: to carry out an

methods of paying wages and Mr. Cecil Nightingale, manager had become concerned about of the company's special serprocedures in the company's vices department.

Renfrew office. He told his superior, Mr. from Mr. Nightingale about the a labour-only sub-contractor's documentation instead of on the Press payroll. On the Press payroll it indicated that they

were being paid only for a basic ployee of Tansley Witt to 40-hour week examine the new systems, New systems

Brian Buckley, the company's of the audit, to put in "black taxation manager. and white" his reservations

## concerning the Press payroll Mrs. Swaysland had told him to had given cause for alarm, "view it with Nelson's other

## subsistence allowances and He was dismissed by William other non-taxable extras." He Press in 1976 but has claimed

## Mr. Swaysland is one of the employee of Tansley Witt he two men accused of false had never been asked by Mr. accounting The other is Mr.

## Mr. Ayliffe said other matters 'specifically wage allowances, eye."

### efficiency audit" of William Press Scottish operations in had discussed his concern at a unfair dismissal. £1m site to 'stimulate industry'

BY RHYS DAVID Greater Manchester Economic Development Corporation—set up last year by local authorities in the area to stimulate new enterprise-is buying a 77-acre industrial site at Bredbury for £1m in a joint deal with Stockport Council. The site has been purchased from Christian Salvesen Pro-

perties, Jacksons Works.

Mr. Leslie Boardman, the

general manager, said they would adopt a fiexible approach

and make sites available to

industry for owner occupation on a freehold or leasehold basis.

the corporation could be leased or purchased.

Employment Departments,

London and Merseyside dock-

lands should be adopted only with the agreement of local authorities. An industrial and commercial development agency

should be considered as an

The formal creation of the

urban development corporations

is expected in the Local Govern-

ment Planning and Land Bill to be introduced into the Com-

five Labour-controlled

mons tomorrow.

Alternatively, units built by

which acquired it takeover of (Bredbury) Brick The corporation said yesterday it intended to start developing the site quickly, possibly in June or July.

The site is almost 40 per cent ing and managing industrial of total available industrial land in Stockport, where demand for space is buoyant. The corporation expects little difficulty in attracting potential clients because the site enjoys very good communications.

It is within one mile of a new extension to the M63 by-

passing Stockport, and will have its own access point nearby when the next stage of the motorway is completed. Under the deal worked out with Stockport Council, the corporation will carry out all

servicing of the land and will receive in return about £500,000 towards the cost of infra-The corporation was launched last October with backing of £5m from Greater Manchester

Inner-city revival vital—Shore

of new development until that To minimise the delay a corporation would have power to impose its plans, while no

commerce and officals from the although Liverpool City Council sent Land Use Plan.

County. It has wide powers to TWENTY jobs are to be lost by assist industry with loans and the end of the week at one of grants or by acquiring, developand the rest of the workforce are to go on a nine-day fort-Miller's, which with 1,100 workers is Cockermouth's lar-

FUTURE generations will face cities should be re-examined Industry, Environment and supports it. Imposition of the corpora-Mr. Shore said the controvertions would cause dissension sial proposals to establish urban and delay, Mr. Shore said. The devlopment corporations for the main objection was that they would have planning powers requiring the revision of the Land Use Plan and the hold-up

before a Designation Order.

mentioned yesterday as one of the past candidates for the public inquiry was envisaged chairmanship of the British Steel Corporation, is no longer Such a procedure was bound chairman of Ransome Hoffmann to provoke hostility, Mr. Shore Pollard. He vacated this post said. An alternative was an last year, but remains a nonindustrial and commercial deve- executive director. The present London boroughs concerned are lopment agency with specific chairman is Mr. David Ewart. vehemently opposed to the idea, functions, acting with the pre- The Financial Times apologises for the error.

602 THE PROPERTY

ABCI MEN

## Car production fall forecast

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE ECONOMIST Intelligence Unit forecasts that the number of cars produced in the UK this year will fall to 950,000, the lowest level since 1957.

The unit's latest Motor Business report, states this would also represent a fall of about 13.5 per cent on 1979 production, which came out at about 1.1m and was more than 10 per cent down on the previous year's 1.22m.

"The sector is on the verge of being overtaken by the Spanish motor industry in terms of unit output," the unit points out

Last year's downturn in car production reflected incustrial disputes at BL. Vauxhall and Talbot (formerly Chrysler UK) -Ford had a relatively disputefree year — which prevented the manufacturers taking full advantage of a very buoyant

home market However, the unit forecasts that the new car market will fall by about 10.5 per cent from 1.7m to 1.53m in 1980 because the UK economy faces a difficult time.

Businesses are going to face increasing liquidity pressures as the year progresses and this is certain to affect their capital outlays - especially for such

"This squeeze will also be felt in the private sector where that the importers' share of the potential consumers-faced with new commercial vehicle market rising inflation and pressures on incomes through higher mort- per cent to 22.5 per cent. gage repayments—will probably adopt a cautious approach to

BY DAVID MARSH

of England should aim for

money supply growth at the

upper limit of their present 7

to 11 per cent target range, stockbrokers W. Greenwell says

in its latest monetary bulletin.

peak at about 21 per cent in

towards the end of last year.

Because prices are rising

point of the current target range

growth around the mid-

Inflation is now expected to

Within the total of 1.53m. importers will continue to do well, the report suggests, and account for nearly 60 per cent of new cars registered.

"BL will need the Mini Metro and Bounty (its proposed Honda model) in order to stand stilllet alone claw back its lost position. . . Short term, BL's posi-tion is decidedly sticky and we expect the company's market share to slip-probably to around 17 to 18 per cent. Improvements to existing model ranges, and notably the Marina facelift scheduled for the midyear, will help but on their own will be insufficient to arrest a further decline."

Apart from problems in the UK, the British manufacturers' output for export is also expected to fall this year, by about 12.5 per cent on 1979's level to 350.000 cars.

The unit's forecast for commercial vehicle output this year suggests a 9.5 decline to 370,000 in 1980. Within the overall total, the output of commercial vehicles for export is expected to slip 2.5 per cent to 172,000.

The UK market for new commercial vehicles is predicted to show a 15.1 per cent fall in 1980 to 255.500.

In perhaps the one bright spot in the forecasts, the EIU states should fall this year from 22.8 Motor Business No. 100, Economist Intelligence Unit, 37, St.

items involving major expenditure," the EIU comments.

James's Place, London SW1A INT.

The bulletin says latest mone-

tary data from the Bank of

England indicates that under-

lying monetary growth since

mid-June has not exceeded the

7 to 11 per cent range by more

Favourable factors coming up

gilt edged stock this month, the

large sales of National Savings

### Tax delays and phone strike lift borrowing

SIGNS THAT the public sec-tor may overshoot its borrowing target this financial year have been caused by delays in revenue collection rather than fundamental flaws in the Government's income and expenditure forecasts, according to Mr. John Biffen, Chief Secretary to the Treasury.

Slow payments of value added tax and delayed receipts of Post Office bills following the telephone strike had "frustrated" part of the original Budget calculations. he told a meeting of the bank and finance study group of the Operation Research Operation Society yesterday. The public sector borrowing requirement for the year ending in March has been set by the Government at £8.3bn, but estimates City analysts are about

Mr. Biffen, who at the weekend hinted at increased health charges as part of the latest programme of spending cuts, said it was impossible to say how long the Government's policies would take before they started to bring down

inflation and increase growth. Asked whether he feared the risk of alienating large of the electorate through the Government's tough policies, Mr. Biffen said that the Government must expect a period of unpopularity. This was a true test of

a mature democracy. "Do not ask me to guarantee electoral salvation," he said. "I do not think I can do it — it would be playing The Treasury would publish a full public expendi-

THE GOVERNMENT should

step in and stop the melting

down of antique silver objects.

the chairman of Phillips, the

Mr. Christopher Weston said

that in the silver and gold panic

many people were selling irre-

placeable antique silver items.

This was destroying the national

bullion dealers.

auctioneers, said yesterday.

## Local authorities' commitment accounting cleared

THE DEPARTMENT of the Environment has confirmed that it does not regard the practice of commitment accounting by local authorities as necessarily bad and sees no reason to stop it.

ment accounting in an attempt to ensure that they spend their full budget provision before the end of the financial year. Technically, it means ordering shortly before the financial yearend and including the items in the accounts although they have been neither delivered nor paid

It is widely used by local authorities and probably also by ministerial departments, but has been the subject of controversy in Northamptonshire where a campaign by ratepayers has forced the county council to abandon it.

The main argument against commitment accounting is that, apart from encouraging spend-ing up to the budget limit—and hence justifying a larger budget next time—it also produces accounts which are not true and fair and is not a practice allow-able in commercial sector

The Northampton industrial ratepayers action group com-plained that about £1.25m of liabilities were included in the county council's balance sheet submitted for audit when they had not been received and when no delivery notes or invoices

As a result the county treasurer has stopped the practice and from March 31 "creditors will be defined strictly in respect of goods and services delivered" by that date.

the opening of Phillip's new

Collector's Centre, a recently

acquired building next to its

premises in Blenheim Street,

SALEROOM

BY ANTONY THORNCROFT

The action group argued to CONSUMER the Department of the Environment that the practice should be stopped throughout the public sector because it was at variance with accounting rules and practices of commercial com-Local authorities use commit- panies.

The department rejected this argument because of the rules saying that provision should be made for all known liabilities and that they should be included on the basis of expenditure incurred. But these rules apply to accounts intended to give details of profit and loss.

Local authorities were nonprofit-making, did not pay tax. had no share capital and their income was not specifically related to services rendered. Chartered Institute of

Public Finance and Accountancy (CIPFA) has endorsed the practice of commitment accounting where commitments are distinguished from liabilities and shown separately in the same. the balance sheet.

The Northampton ratepayers had argued that orders, where they concerned revenue items, were shown as expenditure in the year or years in question. Thus, the balances to be carried forward are artificially reduced and it may be that the rates are fixed on a wrong basis when commitment accounting is

The department's reply is that rate fixing takes account not only of estimated income and expenditure but also of the estimated cash flow position. The ammount of cash required from rates in a year was not affected by commitment accoun-

fallen back to its present low Rising prices was again the

of consumers surveyed. However, this reason was given by fewer pessimists this month than in December.

Silver melting 'should be halted' The two areas of increasing Mr. Weston was speaking at a Berlin plaque painted with a scantily clad Psyche. The price was three times that estimated: Marcello, the London dealer, gave £3,000 for a Sevres torquoise ground part dinner service, while Duncan Smith of London acquired a late Nym-

Unemployment as a reason for pessimism has risen slightly —from 12 to 14 per cent—while just over a fifth of pessimists expect the trend is to worsen.

### FT SURVEY OF CONSUMER CONFIDENCE

## Economic policy deepens pessimism over future

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

207

must improve."

level in January.

optimism by women of all

social sub-groups. Middle-aged

confident of consumers sur-

increase in their confidence

The gloom over future con-

fidence was also reflected in con-

sumers' opinions of how they

stood in relation to a year ago.

groups. There is a very big dis-

crepancy between white-collar.

workers and manual workers,

according to the survey, with

both men and women in the

ABC1 groups (professional and executive) having positive

indices, and both C2DE groups

having negative indices.

CONFIDENCE shows no sign of recovery from the slump reached in the latter half of last year, according to the latest Financial Times Survey of Consumer Confidence published today.

Thesurvey shows that in early January consumers' confidence in the future of the economy slipped even further to reach minus 41 per cent. This level of pessimism has only once been exceeded during the past decade — during the 1975 economic crisis.

But the six-monthly index, which reflects the trend in confidence, has slipped to its lowest ever in the 10 year history of the survey. In January, the six-monthly index was minus 36 per cent.

The January survey of more than 1,000 adults shows that 53 per cent expect conditions to worsen, while 12 per cent expect the economy to improve. balance thought it would stay

This gives an index figure of minus 41 per cent, compared with minus 40 per cent last month. In January last year, at the height of the industrial disputes, the index stood at minus 27 per cent, while in May last year it stood at plus 9 per

### Steady fall

In fact, since the rise in confidence during the General Elec-tion, the index has steadily

main reason for pessimism in January, cited by 35 per cent

concern appear, according to the survey, to be a belief that the Government's economic policies are wrong — cited by 19 per cent of the survey — and the increase in industrial disputes. This was given as the main reason by 18 per cent, compared with only 12 per cent last

Of the few optimists in the

for optimism was that the fidence and feelings of pros-Government was pursuing the perity, the survey revealed a Research Bureau on behalf of right economic policies. Almost sharp increase in consumers the Financial Times. A sample half of those expressing believing that this was a good of 1.047 adults was interviewed

optimism, however, simply time to buy durable goods. The "time to buy" index rose from gave the reason that "things minus 4 per cent last month to Analysis of the survey shows stand at plus 13 per cent in that the decline in overall con- January. This puts the six-

fidence was due to a fall in monthly index at plus 6 per cent

PANTAME TO BUY NAMAKES

consumers—hetween the ages January the six-monthly index of 35 and 54-remain the least was at plus 19 per cent. The rise in the index this veyed in spite of a sharp month had been anticipated since the January sales are traditionally considered the time to buy consumer durables on special offers.

-compared to plus 1 per cent

last month — although last

### Unemployment

The index for past prosperity dropped a further two points to The unemployment index fell reach minus 16 per cent. Some 24 per cent of the survey felt by 1 per cent to plus 34 per better off than a year ago, while cent. This shows that some 40 per cent felt worse off. This 45 per cent of consumers felt while only 11 per cent thought

An extra question asked this month found consumers almost equally divided as to whether their standard of living would rise or fall during the 1980s. Some 29 per cent thought it. would rise, while 28 per cent clearly felt in the C2DE (manual worker) social subthought it would fall. But the

biggest group, 37 per cent, thought it would stay the same. Of those expecting their standard of living to rise, it is noticeably the young (under 34) and ABC1 groups who are most optimistic.

■ The Financial Times Survey of Consumer Confidence was

### the monetary Certificates expected when the squeeze considerably more severe in real terms than was orinext month. DON'T BUY

Treasury 'can aim high

THE TREASURY and the Bank ginally intended, says Green-

the second quarter of 1981. should be able to sell enough When the money supply target gilt-edged stock in coming

was set the official forecast was months to reduce monetary

for a peak of 17.5 per cent growth below the upper limit

faster than expected, money include the substantial sales of

of the range.

on money supply'

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M.H. COVEY, Secretary

Oif - Natural Gas Pipelines - Construction & Farm Equipment Automotive Parts - Chemicals - Agriculture & Land Management Packaging . Shipbuilding . Insurance

### heritage, and was short-sighted. All items carry an additional per cent buyer's premium At Friday's sale of silver at and VAT. Phillips items averaged around London. It will be used for At Sotheby's Russian works of £15 an ounce, higher than auctions of collectors' items as well as books and stamps. art totalled £49,415, and the bullion silver prices—so anyone boom would be better advised yesterday brought in £61,183. reflected in the prices. A silver to sell through auction houses

The top price was £3,200, paid gilt dessert service made in St. by the Paideia Trading Co. of Petersburg in 1856 by Nichols Japan, bidding by telephone for and Plinke sold for £3,600. or antique dealers, rather than

phenburg part service for £2,500.

## GOLD FIELDS PROPERTY COMPANY LIMITED

(Incorporated in the Republic of South Africa)

··· INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1979

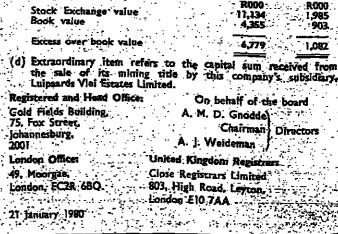
The unaudited consolidated results for the six months ended 31 December 1979 are as follows:

	Six months ended 31 December 1979 R000	Six months ended 31 December 1978 R000	Year ended 30 June 1979 R000
REVENUE			
Rentals Waste rock sales Gold royalties Profit on property and	989 133 70	723 148 153	1,534 264 263
township sales	457	168	298
Profit on sale of investments	3	47	: 47
Income from investments	325 106	101 139	204
Sundry	38	28	302 -235
	- 2,121	1,507	- 3,147
EXPENDITURE	794	819	1.612
Administration, property and general expenses	594	586	1.157
Interest	200	233	450
Amount written off investments			5
Profit before taxation and	· <del></del>	· ——,	
extraordinary item Texation	1,327 382	688 222	1,535 542
Add: Extraordinary item	945	466	993 2,997
Profit after taxation and extraordinary item	954	466	3,990
Earnings per share—cents	92	4.6	9.7
Note:	-		

(a) The increase in profit on property and township sales is mainly due to the sale of a business stand in Carletonville. There was a further decrease of gold royalties as a result of the sale of the Luipaards Viel mining title for a capital sum and a profit sharing arrangement. To date no profit has accrued from this source.

Dividend. A dividend of 6 cames per share, absorbing R613,000, declared on 8 August 1979, was paid during September 1979. The declaration of a dividend for the current financial year will be considered in July 1980.

(c) Particulars of Listed Investments 31 December 31 December :R000



## Oil-rich countries seek to preserve the value of their investments

BY OUR EUROMARKETS STAFF

A CHANGE in the investment policy of the oil-rich countries in the new decade was forecast by Mr. Roger Azar, chairman of Azar SA, the investment consultants, speaking at the Financial Times Euromarks ts in the 1980s conference. A smaller proportion of the overall surplus is likely to be invested in dollar instruments, while a lengthening in the maturity of fixed income securities will probably be sought.

At the same time, larger investment than hitherto in highquality equities of Western companies can be expected. Furthermore, greater invest-ment flows can be expected to move into commodities. Com-modities represent the easiest way towards possessing real assets, are easily tradeable and can appreciate substantially. The speculative nature of such investment is no deterrent to very rich individuals who can weather temporary adverse price movements.

### Argued

It is crucial that the West should be both willing and able to offer such participation, said Mr. Azar. For it is the responsibility of any government which takes oil out of the ground to invest the revenues in assets which preserve their value. This has not been the case since 1974, when the surplus countries have watched the value of their assets held in the West decline, and the result is increasing internal pressure on the governments of such countries to keep their oil in the

Mr. Azar argued that members of the younger generation in the Middle East are now increasingly asking their rulers a very simple question. "Against what have you exchanged our valuable oil assets, and what, if anything,

is going to be left for us?" Mr. Norman Robertson. ment in long-term rates. senior vice-president and chief economist of the Mellon Bank. told the conference that "the elusive American recession is

The impressive elements of said that the dollar will "prostrength in the economic out- bably show significant strength look, not least of which is the over the next few months, pro-

FINANCIAL TIMES **EUROMARKETS** IN THE 1980's CONFERENCE

suggest that the downturn will be mild. But beyond the nearterm eyelical prospect of a dip in real gross national product lies an unsettled and uncertain prospect, dominated by the deep-seated problems of inflation, energy and productivityand now the dramatic rise in international tension.

He felt that monetary policy in the United States would not deviate markedly from its present course, although interest rates are still expected to decline in response to a weaken-ing trend of economic activity. But because the recession will be rather shallow, and there is a deeply embedded inflation psychology, coupled with little relief from double-digit inflation—to say nothing of the external pressure on the dollar—the magnitude of the interest rate decline will be limited.

He estimated that by the end of 1980 most U.S. short-term interest rates would be about they are today. This would mean a prime rate of about 111 per cent and a 90-day CD rate in the neighbourhood of 91 per cent. This forecast assumes that in real terms short-term interest rates will remain positive throughout the year. Real bond yields are still negative, and he found it difficult to see the basis for any major downward adjust-

Looking at the prospects for the dollar. Professor G. W. Maynard, director of economics for Europe and the Middle East for Chase Manhattan Bank,

American economy would supervisory authorities of the experience a deeper recession major banking centres, these than most of its competitors, and short-term interest rates would fall relative to rates else-

interest rates therefore seems likely to be substantially reduced by the middle of the year. On this score, a weakening of the dollar might be expected, but a stable or bank in New York, expressed strengthening dollar was not the strong view that he did not necessarily incompatible, with a relative decline in U.S. rates when the current account balance is swinging in its

Taking a longer-term view, he felt that diversification of currency assets out of the dollar seems likely to continue. It is clear that the U.S. will not as general rule sacrifice its domestic economic aims and objectives for the sake of maintaining a stable international monetary system. This does not mean that the dollar will increasingly show a tendency to fall in value against other major currencies. On the contrary, he believes that "the U.S. economy

remains basically a strong one. The Bank of England has recently taken steps to monitor the exposure to country risk and the capital adequacy of UK banks more frequently and on a worldwide basis, Mr. Nigel Lawson MP. Financial Secretary to the Treasury, told the con-ference This was part of the UK authorities' focus on improved techniques of pruden-

### Consolidation

Mr. Lawson said that recent developments had undoubtedly reinforced concerns about international bank lending risk. Yet he argued that there was no easy, generalised solution. "At a time when still higher oil prices will impose further strains on the balance of payments of many countries, any abrupt reduction of lending. however caused, would only serve to increase the risks," he

coming build-up in the outlays vided the international political. He argued, however, that if ing to the freeze—the seizing the said, strength structural deteriorates no furthe principle of consolidation hortages—was self-inflicted.

ther." He assumed that the was applied consistently by the

The existing large differential between U.S. and German favour.

tial supervision to help ensure that the business of inter-national bank lending was con-ducted on a sound basis.

said.

principles should achieve a desirable constraint on those individual banks which are tempted to expand their international operations unduly, and would help to keep the overall rate of growth of bank lending in reasonable bounds. Dr. Irving Friedman, senior vice-president and adviser for international operations at Citi-

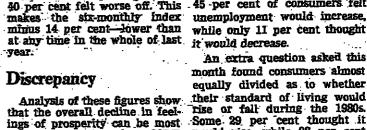
expect any general crisis arising out of LDC external debt. He pointed out that during the last 10 years, only eight LDCs had experienced serious difficulties in meeting their external financial obligations. Those eight countries accounted at present for \$41bn, or a total of about 2 per cent of U.S. banks foreign currency exposure.

"There are indeed very few developing countries, if any, whose threat to repudiate or default on debt payments would constitute a danger to the viability of the international banking system," he said.

### **Implications** Mr. Rudi Weissweiller, an

independent adviser on currency matters, listed the range of factors which influence exchange rates and which lie behind the current rise in the gold price. He adhered to his principle that "forecasting exchange rates is absolutely daft," but did suggest that "it is likely that the price of gold will exceed \$1,000 an ounce and it is likely that it will go below \$500 an ounce, and both within this year." He said he was concerned that "an awful lot of people are putting all their money into gold." Professor C. M. Schmitthoff.

professor of international business law at the University of Rent, spoke on the implications of the Iran crisis. In particu-lar, he addressed the question of whether Iran's non-payment of interest on a loan, after President Carter's order to freeze Iranian assets in U.S. banks, constituted default. He suggested that an Iranian plea that Iran was frustrated in its obligation to pay would fail, mainly because the event leading to the freeze—the seizing of



## UK NEWS — PARLIAMENT and POLITICS LASINON LASINON LASINON LASINON LASINON LASINON LASINON LASINON LASINON LA 1980 LA 1 Bleak future for North attacked

INDUSTRIAL and economic situation in the Thornaby) said there was an Northern region is "about as bleak as one could imagine" ment to fulfill Labour's election and the employment outlook pledge to set up a Northern there is "potentially disastrous," Mr. Ian Wrigglesworth told the Commons yesterday.

Labour's Civil Service spokesman, opening an Opposition debate on the problems of the North, strongly attacked the Government's

At the moment, he said, there were 117,000 men and women without jobs in the region. That was a rate of 8.5 per cent unemployed, 55 per cent higher than the rate for the rest of the country.

"On the national localists that had been made we may be nothing at all to help matters—going up from 117,000 towards in fact by "rolling back intersection" in the regions it had "On the national forecasts

### Moves to blackball European members

By Elinor Goodman

Carlo Sarje

Tel

· Congress

Carrier es.

The state of

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-07: 10 days

0.200215.25

Westminster described as Britain's mon exclusive club and some of its members are preparing to guard their privileges. guard their privileges. MP. on both sid's of the Period are typing to or one only the me to imited. Harming ev-ter Title for Delicina. Cl. Expe-1126.

The later of paying **ង**រោយស្រាកស្នាស៊ីន 🗻 **ខ្**ណែ 😉 💩 e emprebensible to anyone. who has not speed years my ing to get checked to West

### Grudging

The most reportus proposal likely to will grad, or majority approval is that the Euro-MPs should be treated like research assistants, and be allowed basic access to the Commons and perhaps to catering facilities in one of the House's many subsidised dining-rooms.

But even that would be too much for a vociferous minority of MPs. One longserving Tory back-bencher says Euro-KPs should be appointed as tempurary badge messengers, " to let them see how real MPs work."

As present, nurs-dPs are treated like any other member of the public. They have no passes to the building. They want the facilities which they claim are necessary to do their job properly: free access to the Palace, especially its library facili-ties and preferably the free-dom to sit in on back-bench

Some also want access to the bars and others suggest that they should be given at least one room near the House which they could call

This kind of talk upsets those MPs who believe that once they are in they will start demanding more and

more privileges. "Before you know where you are," one Tory said, they'd be in the smoking

100m." The matter is now being considered by the services' committee of the House. Later this month it will see representatives of both Strasbourg delegations.

But assuming the committee recommends any signifi-can change, some MPs are bound to press for a full debate, probably with the support of the opposition.

### **Pecking order**

Already, some MPs are arguing that a simple majority in favour of change would not be enough, just as in a club a minority of members would be able to blackball persons they disapproved of.

The dispute could exacerbate the already-strained relations between Euro-MPs and those at Westminster. a minority of whom regard the European Members as somewhere below parish councillors in the political pecking

Most Labour MPs also argue that conditions for Westminster MPs are bad enough without letting in the

Euro-MPs
Tory anti-Marketeers have been joined by constitutionalists in arguing against any change in the existing arrangements.

**IML** Air Courier **Services Deliver** 

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Mr. Wrigglesworth (Lab. ment to fulfill Labour's election The agency should have sub-

stantial initial capital to carry out the job promotion pro- Business Club.
gramme that was currently the This said: "May I say it is the responsibility of the Department of Industry and others. He stressed that the idea for

such an agency was supported by the CBI's regional committee in the North. "What we want to see is a focal point for job creation in the region," he said.

The Government had done nothing at all to help matters made matters worse.

the areas which will be hardest

Weish Secretary, a mied the

Port Talbot travel-to-work areas

a wide area of South Wales are

ment policies were resulting in

the de-industrialisation of Wales

and warned that the one-day

general stoppage by steel, coal

and transport workers next

week would only exacerbate an

MR. DENIS HEALEY, Shadow

to discuss economic\_issues and

ment before the committee,

viable counter-inflation policy.

LABOUR'S commission of in-quiry today makes a belated

start on its wide-ranging examination of the party's

The trade union leaders and

politicians who will meet at the

Commons are expected to turn

their immediate attention to the

party's most pressing problems

its scanty funds.

its declining membership and

By focussing the inquiry on

these issues first, the commis-sion hopes to damp down the

Left-Right struggle for power

which has bedevilled its own

establishment and threatened to

nullify its work.

The controversial questions

on which this struggle has so

far centred—the reselection of

Labour MPs, election of party leader, and control of the mani-

of the commission itself.

compromise tomorrow by Party.
loosening a little the firm grip The

policy in particular.

Following the lead of the

BY RICHARD EVANS, LOBBY EDITOR

policy in general and incomes to do.

a Labour Party research docu- policy.

already difficult situation.

Mr. Edwards strongly denied

Opposition charges that Govern-ful."

for regional aid purposes.

also being considered.

U littmot a gesterdag.

orgency, Mr. Michelas Edwards, tion.

national prospects were grim due to the Government's obsession with monetary policy. Industry was being punished by high interest

chairman of the Teesside Small consensus of opinion that the Government has not as yet done. anything concrete for small unemployed people for every business. On the contrary, the vacancy while in Great Britain increase of bank rate had a terrible impact."

Mr. Wrigglesworth urged the Government to restore the level of grant to what it was under Labour. Proposals for obtaining more regional funds from FEC should also be pursued vigorously. There should be no departure from the policy of redistribut-

NO, 10 TALKS: Mrs. Thatcher met both sides in the steel dispute yesterday. Left: Mr. Bob

Scholey and Sir Charles Villiers. Right: Mr. Sandy Feather, Mr. Bill Sirs, Mr. Hector Smith.

Remedial help for Wales

REMEDIAL measures to help Prime Minister, he stood firm coming an industrial desert was

hit by the loss of 10,000 steel Mr. Denzil Davies (Lab. Selective import controls to jobs, at Lianwern and Port Llanelli) for a relaxation of the help the steel industry and the

Mr. Davies, former Treasury

It became clear later that deciding as unrealistic. Its Refusing to contemplate such proposals under consideration effect would be to destroy the a step, Mr. Edwards maintained by Millisiers involve reversing Welsh economy and turn South that import controls would have

The Welsh Secretary retorted:

"I deplore the continued sug-

consequences—will turn South

Wales into an industrial desext.

Mr. Edwards spoke of the en-

couragement he had gained from going round the industrial

sites in Wales and seeing new

To talk of South Wales be-

Opposition divided on economy

Mr. Heffer, a member of

which was also on the agenda,

in certain circumstances, but

The clash underlined the con-

which advocated import controls tinuing divisions within the tion. There will also be a joint

and the alternative "slege Labour movement over statement presented on econo-economy" failed to put up a economic strategy at a time mic policy, following presenta-

wing vice-chairman of the party and transport union official,

Mr. Norman Atkinson, the

party treasurer and another

leading Left-winger, could be

demoted to non-voting member-ship in tandem with Mr. Michael

Cocks, the Labour Chief Whip.

festo will be pushed down the Heffer, Mr. Frank Allaun, Miss tion for fighting elections,

Labour's "moderates" still Richardson will represent the full time staff and agents.

have hopes that the Left-National Executive, and Mr. Reforms have to be condominated National Executive James Callaghan and Mr. sidered to raise the level of

may signal its willingness to Michael Foot the Parliamentary political education, both in the

The commission will thus

Labour's self-appraisal starts

Mr. Alex Kitson, the Left- Mr. Callaghan.

Chancellor, clashed with Mr.

Eric Heffer (Liverpool Walton), prepare a coherent attitude yesterday over the Labour towards incomes policy, which Party's attitude to economic the Party document had failed to present a timed top present a timed to

successfully.

'I do not believe it is help-

raibot are being considered by March 1980 break-even date set

the Government as a matter of for the British Steel Corpora-

carlier decisions to downgrade Wales into an industrial waste-

New facilities for industrial gestions that these decisions—

training and retraining covering and I do not underestimate the

The argument came at the Labour's National Executive

meeting of the TUC-Labour Committee, pointed out that Party liaison committee, called the TUC's economic review,

to plan reaction to Government had advocated import controls

Mr. Healey complained that had not mentioned incomes

against Labour demands, led by not a true picture.

Mr. Benzil Davies (Lab, Selective import.

Minister, described the March and have little impact on prices.

companies getting established and economic difficulty he and others already operating admitted, it was likely that un-

Mr. Healey also argued that to present a unified opposition

when Labour leaders are anxious tion of the budget on March 25.

The Commission of Inquiry will deal first

with issues uniting Left and Right.

PHILIP RAWSTORNE reports.

could be dropped from the in-quiry, they believe.

day ensure priority is given to examining all aspects of in-

comprise Mr. Moss Evans, Mr. tion.
David Basnett, Mr. Clive Jen
kins, Mr. Bill Keys and Mr. of reference disclose, has plenty

John Boyd from the trade of pressing problems to resolve.

It has to examine and

Mr. Anthony Benn, Mr. Eric improve th eparty's organisa-

Joan Lestor and Miss Jo including the deployment of its

Mr. Wrigglesworth argued that the country was still split into two nations, with the North suffering economic deprivation to an extent not rates and low investment. into two nations, with the In support of this, Mr. North suffering economic Wrigglesworth quoted a letter which he had received from the fully appreciated in the South. "There has always been a big gap between the regions and that is now widening."

In the North there were 10 because the previous Labour unemployed people for every Government had failed. as a whole the figure was only five people.

The Government was fore-

casting a drop in private and public investment in the coming year. There would also be stantial fall in the growth

of the economy.

All of this would come on top of the troubles created by the decline of traditional

Selective import controls to

milol-using industrics were urged by Mr. Dafydd Wigley

(PC Gaernaryon). Such a policy

would save thousands of jobs

"disastrous economic conse-

Opposition charges that Govern-

ment policies were responsible

for Wales facing the highest

level of unemployment since the

Government took office in May.

the unemployment figures for

Wates were already showing an

employment figures would rise

Nevertheless, the committee

highlighted the sharp deteriora-

tion in economic performance

over the past nine months,

whether measured by output,

employment, investment, infla-

tion, or the balance of payments.

examine further medium-term

policies for the 1980s, particu-

larly those which could stem

the tide of de-industrialisation

and increased import penetra-

It is probably the prospect of just such a move that will to-

examining all aspects of in-creasing party membership and

Many trade union leaders have shown increasing im-patience with the recent Left-

Right bickering which has diverted the party from more

urgent problems of organisa-

party and the trade unions .

improving its finances.

The liaison committee is to

At a time of world recession

He stressed that when the

He also refused to accept

quences" for Britain.

upward trend.

ing Government and public expenditure in favour of the needy regions.

Mr. Wrigglesworth argued that Labour's policy of public aid for the region had not solved the problem of unemployment. In fact, under previous Labour administrations unemployment had risen while under the Conservatives it had fallen. The present Tory Government

had been elected to change People had to accept that the country was going to have smaller workforces, particularly in heavy industries.

He emphasised the role of the English Industrial Estates Corporation in bringing employ-ment to the North. The corpora-tion now had 44 factories being built and these should be ready by May. There had already been considerable demand by tenants.

# Lords

PRESSURE for reform of the House of Lords is building up in the Tory constitutional committee. An informal working party is understood to have been set up, with the aim of reducing proposals which could be used as the basis of discussion within the

change are said to advocate the replacement of the Lords with a second Chamber elected by proportional repre-

This would be anothems to many Tories, including, probably, the Prime Minister and many Cabinet members.

another group within the committee is advocating a more modest reform which would ditary peers and enable the political parties to continue nominating some life neers.

A minority of seats would

Another block of seats might be reserved for local government leaders - who would be elected in the normal local government elections-while the church judiguaranteed representation.

In Opposition, the Tory Party produced a number of radical proposals for reform-

which they had hoped.
Instead, it stressed the
necessity of a strong second chamber and left open the possibility of reform. Nevertheless, some mem-bers of Mrs. Thatcher's Cabi-

net—notably Lord Carring-ton—may well try to persuade their colleagues that some action on this front is nees-

democratic

This could include changes

i nthe make up and agenda of

the annual conference, in the

membership of the national executive, and in every part of

the party's organisation down

It would involve the balance

fpowers between the con-

ference, national executive and

programme cannot possibly be

completed before the autumn of

and finances needs will make it

two issues by then

the Parliamentary leadership;

accountable.

to ward level.

## Tories face pressure to reform

Supporters of reform will then try to get the debate going on the basis that if the Conservatives do not reform the Lords while in Government, Labour might abolish the second chamber altogether if returned to power. Two sets of proposals seem

Those in favour of radical

Rather than see the idea of reform dismissed out of hand. incorporate some of the here-

Opinion among this second group seems to be veering towards dividing the members of the second Chamber into a number of different cate-

be reserved for hereditary peers. But the peers themselves would hav to decide which of their number sat in

A final block of seats would be reserved for nominees of the various parties who would be selected as now, by the political parties. Once appointed, they would probably serve for life.

ing the Lords. But to the disappointment of reformers within the party, the manifesto made no mention of the constitutional committee for

were too vague and the meeting rejected suggestions that the workforce should have the option of immediate redundancy shop arrangements at the fac-payments. shop arrangements at the fac-tory, and there have been union Mrs. Pat Turner, General and Municipal Workers' Union National Officer, said last night that fresh talks were planned between union negotiators and Shop stewards at the plant Airfix tomorrow. The company said they now wanted figures had accepted union demands about the scale of redundancy that the occupation of the plant

## Dock craftsmen go back

BY OUR LABOUR STAFF

CRAFTSMEN employed by the local union officials said there British Transport Docks Board was still resentment against the in South Wales ports returned scheme. Officials from the to work yesterday after national Electrical and Plumbing Trades' union officials intervened over Union, the National Union of a grading and job evaluation Railwaymen, the Union of Cor-

and the crucial determining Normal work at Newport, Technicians and the Transport which had been the worst and General Workers' Union affected port, was resumed, but met the board's management influence on the party's future election programmes. Even if, as expected, it devolves much of its detailed inquiries to specialist panels, its

BL vote next month In the next five months, it has to prepare an interim report for this year's party conference. THE RESULT of the pay ballot the Electoral Reform Society The exhaustive study that the rebuilding of party membership

doubtful whether the commisruary 12. Voting slips will not go out employees a 5 per cent increase sion can progress beyond these The manner in which it deals loosening a little the firm grip The Left thus retains a de- More controversially, the with these priorities may deter- unions and management till which it has so far insisted on cisive majority—unless the Commission is charged with mine its success later in resolv- to campaign on the issues.

of BL Cars 90,000 manual and the cost of about £25,000 workers is expected on Feb- paid by the company. BL Cars has offered most

struction, Allied Trades and

to the homes of workers until plus the chance to earn up to February 1 in order to give the an extra £15 a week under a the with these priorities may deter- unions and management time self financing incentive scheme.

maintaining on the membership trade union members act as a reforming the policy making ing the potentially more divisive. The ballot, called for by the The unions are recommendrejection.

## Welsh TUC expects 200,000 to back strike

AT LEAST 200,000 workers will participate in Monday's Welsh national strike against the steel and coalmine losures threatened in South Wales, Mr. George Wright, general secretary of the Wales TUC, predicted in Cardiff

yesterday.

After a meeting of officials from 20 unions to complete details for this "day of action," Mr. Wright said a minimum of 100,000 in steel, coal and related industries would stop work for 24 hours.

At least 100,000 more, he said, would support the protest by striking for short periods or attending rallies in towns throughout Wales. Mr. Wright forecast that the

strike would halt the coal, docks, railways, road haulage and certain sections of the engineering industries.

It will be called off only if

the British Steel Corporation agrees to abandon negotiations to increase its imports of cheap coking coal at the expense of British, mainly Welsh, coking

talks to resume

PAY negotiations for 33,000 per cent pay package out to

their statement to the em- creases averaging 11.9 per cent

ployers, the National Water on pay. Workers in the lowest

Council, that they expected a pay band which with the next up favourable reply to their noti-the scale comprises the bulk of

racking beyond the amount for years' service 23 days and with pay and price inflations built 10 years, 24 days.

In another public service payment for rotating shifts by

development yesterday, union 5.6p an hour and for alternat-officials representing 250,000 ing shifts by 3.5p an hour. National Health Service ancil- Other allowances would also be

Meccano workers decide

THE MECCANO workforce in weeks to find an alternative

resterday to a joint trade union & days ran out, she said. While

the 90 days statutory notice. redundancy payment rebates There would be no legal action from Airfix Industries because

taken against the sit-in until the reasons it gave for closure

The working party had six breaking the 90-day rule,

to continue occupation

members.

BY PHILIP BASSETT, LABOUR STAFF

manual workers in the water

supply and sewerage industry,

who have threatened a total

strike over their claim for com-

perability with gas and electricity supply workers, will

The unions made clear in

favourable reply to their noti-scation of their readiness to

strike, or they would draw up

defailed plans for the stoppage.

has not yet formally discussed

the unions' response to the original offer of 13.1 per cent—

the council will hold an

employers' meeting tomorrow

on the unions' reply — officials

were agreeing yesterday that the formal negotiations would

not be resuming if there was

nothing to put to the union side.

an improved offer is there-

fore expected to be tabled when

pereficiens resume on Monday.

have to wrestle with the prob-

em of funding improvements

sirce any increase will take the

lary staff decided to put a 13 improved.

DY GARETH GRIFFITHS, LABOUR STAFF

Liverpool gave their approval

and management working party which will consider outside bids

for the plant, and also voted

overwhelmingly to continue

their two-month-long factory

A mass meeting attended by

two-thirds of the 940 employees

called for much greater defail on Airfix Industries' plans. Shop

stewards said the terms offered

should be included as part of

oacupation.

to their cash limits.

But the employers will still

Though the employers' side

be resumed next week.

one-day stoppage as a prelude to an all-out strike from March 10 in the Welsh coal, steel and transport industries, with supporting action from other parts of the country, unless BSC and year postponement of the mass redundancies planned in the

steel industry.
In Wales, BSC's programme involves halving of steel pro-duction and 11,300 redundancies at Port Talbot and Llanwern, plus probably several thousand more job losses in tinplate and other associated plants.

Combined with a switch to cheap imported coking coal, the National Coal Board has warned BSC's policies will result in closure of 21 collieries and loss of some 15,000 miners' jobs in the South Wales coalfields.

Welsh miners' delegates meeting in Bridgend yesterday gave unanimous backing to the Wales TUC strategy of opposition to these cuts. Demands for earlier all-out

action if BSC went ahead with its foreign coking coal purchases

inion members for consulta-

Final improvements were

made to the offer yesterday on

holiday entitlements before the

union side agreed to put it to

The offer would give in-

the ancillary staff would move

to £53.07, with a further £1.38

due in April from the second

stage of the Clegg comparability

com-mission's award to take the rate then to £54.45.

Those on the highest pay

band would move from the

present rate of £61.82 to £69.81,

backdated, as with the whole

offer, to December 13, and then to £75.17 on April 1 with the

£5.36 due from the Clegg award.

ments have been subsumed into

service days under the offer to give improved holiday entitle-ments. Staff with 12 months'

service would be entitled to 19

days holiday, those with five

buyer for the plant before the

the union side has given up

hope of preserving all the jobs

Liverpool district officer, indi-

cated yesterday there could be

some sort of trade-off between

The Meditation group, which

reservations over compulsory meditation. Some kind of deal

could be arrived at, Mr. Egan

payments. The Employment

Department is still with-holding

would save at least 400.

it will press for a solution that

Mr. Mike Egan, the union's

The offer also increa

The present service supple-

South Wales dockers would con-tinue to black coking coal imports until the issue was satis factorily resolved.

Given the service and other industries in the region depenindustries, there is widespread agreement that overall at least 50,000 jobs will disappear in Wales this year if BSC's programme is pushed through by August as planned.

Distribution of 100,000 Wales TUC leaflets began yesterday, urging support for the one-day strike and forecasting that without delay in the BSC cut-back Welsh unemployment would increase from 8 per cent. to beyond 15 per cent next year, "making Wales the hardest-hit region anywhere in Europe.

"Service and local government jobs would also vanish as the effects of this contraction work on their way through our economy," it says

The TUC General Council is due to discuss its approach in London tomorrow.

### Water workers' pay **Post unions** fight to keep board

By Nick Garnett, Labour Staff

places

UNION REPRESENTATIVES have told the Post Office that they are dissatisfied with the proposals put forward by management to replace the scheme of worker-directors on the main board, which is to end with the corporation's re-

structuring. The unions suggest a basic continuation of the principle of worker-directors for the two new boards, for Posts and Telecommunications, with fewer members on each board, set up as part of the splitting of the Post Office

into two corporations. Sir William Barlow, the Post Office chairman, was apparently unimpressed with the arguments of the unions in support of union officials serving on the new boards.

Management has proposed setting up national joint policy councils for both Posts Telecommunications which would operate below the main boards.

Union representatives would sit on these councils. which management says would provide as much scope, or more, for staff to influence major board decisions.

The unions say that this falls far short of the consultative system under the two-year worker-director experiment, which involved seven trade unionists and two consumer members on the board. • The Post Office sent a letter yester ay to telecommunications unions on industrial relations proposals, one of which is to send emergency estimated telephone bills in any stoppage of billing work.

### Shell drivers to ballot on pay offer

SHELL SHOP stewards decided the unions and the Maharishi Yoga's Transcendental Meditayesterday to put out to ballot the company's last pay offer to its tanker drivers. A further has shown interest in buying delegate meeting has been the plant, is against the closed arranged for next week to assess the vote.
Shell has now withdrawn the

productivity conditions attached to the lump sum payment of £150 which is one of the elements of the offer. The proposals give a 17.95 per cent increase on basic rates and other improvements worth an estimated 22 per cent over the

were not good enough for BLUE CIRCLE industries yesterday denied it had any present intention" of closing the Magheramorne cement works, Larne, Northern Ireland. Magheramorne cement But the company said it could be forced to close the works "if the present action by some workers continues." An unofficial dispute by a section of the labour force has stopped

BLUE CTRCLE

production.

our Heat Recovery systems provide free fuel for space or water heating. Payback is normally under 2 years. Details from:

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### MANAGEMENT

## 'Them and us'

enlightened managers about, but there are a hell of a lot of enlightened shop stewards"
—thus, needless to say, a trade
unionist, speaking on last
night's edition of "Panorama,"
the BBCTV current affairs

4COME JME.

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Panorama's idea was potentially a good one—take 22 people (half union members or officials and half managers), throw them into a bowl, let them mix, and see if they can-sort out the infamous "Them Us." problems of British

The producer had found the union participants easily enough but the managers needed rather more persuasion, prob-ably because they realised that their views would be well noted by their own workforces.

The 22 spent three days last November in concentrated discussion at a former stately home in Warwickshire which is now a residential centre. The resented days were divided into unstruc- earned tured sessions, all under the · eyes ΩĒ scientists; evenings, to everyone's apparent

relief. were free. Though the exercise eventually produced at least one plus point, each session seemed to cover the same old ground, with both sides occupying the same entrenched positions, and spouting the phrases and opinions that we have all heard so often before.

A manager spoke of the unions forever harking back to the industrial revolution, and was immediately rewarded with talk of the conditions in 1824. difference." The unionists wanted more power to influence decisionsit was all very well being than double-length format (two involved in long term planning agreements, but not to discover gradual erosion of the abrasivefrom the newspaper that the ownership of their company had suddenly changed hands.

Half way through the experiment, the frustration was obvious; the participants were depressed at "the lack of trust" between them, at the "lack of common ground" and because there were "no positive suggestions." In the evening they all took themselves off to the pub, where the mateyness was striking-they were not discussing take them away for a few days industrial relations.

director of a food processing pany works (or not). Don't company in Carlisle, emerged as the catalyst. He it was who selve a particular issue or transtried to bring the discussion form an unhappy ship overback to the personal level: night But useful groundwork "How did we get to the point will have been done, where we think we're right? The difference between us is I

THERE ARE not many bloody well am right. Because enlightened managers about, I'm from both sides." A socialist manager from a work-. class background Glasgow, he believed that people, whether from the management or the shopfloer were basically the same.

> When the discussion came round to feelings of inferiority and superiority (class and otherwise), David Garnett, who runs his own business and holds a Queen's Award for export achievement, explained that he felt inferior when he tried to win orders for his company in Germany. The never meet delivery.

- Resentment was a word which figured large; of executive lavatories; of the hierarchy of graded dining rooms; of car parking spaces with names on. Rolls Royces, large mansions and swimming pools were not earned through personal endeavour, but managers who through. two felt that their state them to perks were.

the them to perks were.

parent By the end, and probably were they knew they were

near to going home, everyone had mellowed. There were still of different opinions though they had begun to understand each other. But Ian Husband who all along had advocated that fundamentally everyone was the same, had changed his mind. "The realisation has come to the," he said, "that we're not the same after all. The management is employed to employ the workers. That's the

The programme produced no new answers. Nor was its more hours) justified. ness shown towards each other by the participants was certainly a valuable object lesson.

"How could we arrange a similar cohesive group within the workplace? asked. This is where industry could learn from Panoramafrom those companies which have already mounted a similar exercise: select a crosssection of the workforce, from all sectors and departments, during the week (don't expect Next day things could only them to give up their free time), et better.

- and let them expound on what Ian Husband, the technical they think of the way their comnecessarily expect them to

cation projects a car manufacwagen is adding beef to its Beetles in Brazil.

British were handicapped by along the basis of function, age the German belief that even if and sex." The breeding grounds they got an order, they would will be divided into eight in turn, into 15 smaller

> In fact, each of the eight areas will be a farm in its own right, plete corral, a materials depot pharmacy, houses for herdsmen, a shed, water tank and com munications equipment.

> doctors and dentists, air strip with hangar, garage sheds, work-

tanning operations. The cold storage facilities should be ready in the second half of 1981 while those for canning and tanning should come on stream by 1983. Some of the meat will be exported to

So far more than \$US100m has

IN ONE of the oddest diversifiturer has yet attempted, Volks-

A Volkswagen do Brazil subsidiary has acquired a large area of Brazilian forest at Santana de Araguaia in the State of Para not far south of the Equator. About half the zone will be cleared to provide a range for around 110,000 head of cattle, the rest will be left as natural forest so as not to upset the ecological equilibrium

As you might expect from VW, when the project is ready, probably in 1985, breeding will be done in a methodical and extensive way. The cattle will be divided into groups "divided administrative areas and these. pastures.

shops, vehicle maintenance workshops, a supermarket, a complete laboratory with a veterinary pharmacy and so on VW do Brazil has also linked with 10 other cattle breeders in the area to set up a slaughterhouse and cold storage business VW has a 20 per cent stake). This US\$50m establishment will be able to handle 150,000 head of cattle a year (600 a day) and, apart from its slaughtering capability will have cold storage units, deboning, canning and

Europe.

The cattle breeding project originated in 1973 when the Brazilian Government was attempting to persuade businessmen to help open up the Amazon basin. Tempted by the financial incentives, VW do Brazil set up the Companhia Vale do Rio Cristalino, a company in which it has a stake of around 80 per cent.

too much.

The administrative head-

quarters for the project will

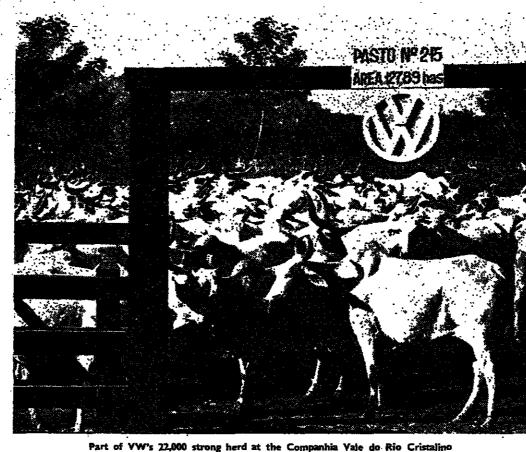
include a hotel, school, hospital,

been spent clearing extensive areas of pasture. The herd is already 23,500 strong. The infrastructure is developing nicely, too, with over 100 kilnmetres of roads and a mass of bridges and dams. Over 200 people have been taken on so far.

VW do Brazil had other good this

Kenneth Gooding reports on the car giant's activities in Brazil

## W steers in new directions



West Germany.

It had a large share of the new car market in Brazil... Brazil.' though less than a decade agoand the car manufacturing business was generating more money than it could fruitfully up to 12 per cent, the Brazilian plants. government insists that anything more is penalised quite severely. Not that there has not been

hefty investment in the car business itself. In 1972, having decided it would be uneconomic to expand its complex at Sao Bernardo do Campo, near São Paulo, any further, VW do Brazil acquired a site 1,300 miles away. By the end of 1971, the Sao

Bernardo plant, known locally as "Volkswagen City," was em-

strange diversification apart getting people and vehicles in from the fiscal incentives. In and out were already beginning Brazil to VW. some ways its problems were to tell. Most of Brazil's auto-Chevette also had an impact. As a result, VW's share of the new car market has slipped similar to those of its parent in motive manufacturing activity takes place in the Sao Bernardo area, known as "the Detroit of

So far around \$100m has been spent developing the second site, Taubate. It is about three times reinvest. And, although VW is Bernado but it differs in not allowed to repatriate to being surrounded by a built-up Germany an annual dividend of area and other car and truck

VW's Brazilian business is. also responsible for developing its own new models. The first uits of this effort were seen in 1973 with the introduction of the Brasilia, a car with a modern. hatchback shape but which is really a Beetle under the body Recently VW's Brazilian

market share was badly dented by Fiat, which introduced a version of its 127 in 1975—called the 147 in Brazil. The Italian group had previously left the ploying over 27,000 people and Brazilian market alone under the making more than 1,250 cars a terms of a 1953 agreement be-Christine Burton | reasons for considering this day. The physical problems of tween the two companies which

allocated Argentina to Fiat and And the General Motors'

steadily from a peak 67 per cent in 1968 to around 45 per cent. However, turnover and profit have continued to advance, respectively reaching Cruzeiros 40.6bn (\$922m) and just under Crs. 4bn (\$91m) in 1978.

To combat the attractions of the Fiat 147 and the latest GM world car "---known in Europe the new Kadette and expected to arrive in Brazilian form by late 1981 - VW do Brazil has developed its own front-wheel drive model, code named the "BX," which will be launched in May this year.

The shape of the BX, by all accounts, follows that of Golf pretty closely. surprising technical But the aspect is that it will be powered by the dated 1,300 cc air-cooled engine used in the Beetle, "modified and improved," according to VW.

at the same time.

The BX, to be made at

Taubaté, will undoubtedly take some sales away from the Brasilia, which at one time looked as if it might overtake the Beetle in popularity even though the Beetle at Crs110,000 (roughly \$2,500) is the cheapest new car available in Brazil. VW is currently producing

about 1,260 cars a day, about half Beetles, the rest Brasilias and Passats. Local content is about 99 per cent, with components and raw materials ought from around 4,000 suppliers. VW do Brazil's is one of the

country's major exporters, sending products to 50 countries. About 64,000 cars a year are exported either fully built up or as kits; the biggest market is Nigeria.

Like other major companies in the country, VW has commited itself to an export target under the Brazilian govern-ment's "BEFIEX" plan. In 1973, when the commitment was given, VW said it would export \$1bn of products in ten years. This was increased last April (for the same ten-year period) to \$1.5bn.

In return for this, the Brazilian Government permits VW to import essential plant and equipment without the heavy duty payments that it would otherwise attract. Although there is some ele-

ment of "export or else" in the Brazilian Government's approach. VW in Germany is making the best of this coercion and has been fitting VW do Brazil into its plans to become a "world car" manufacturer.

VW do Brazil exports engines and gearboxes for the Passat to Germany and the U.S., and Golf engines to Germany. It is therefore a vital link in the VW group's component supply chain around the world. Since September 1974, when production "world class" major components began, the Brazilian company has shipped out around over half a million engines and even more gear-The most recent investment

in Brazil by the VW parent group involved the acquisition of the Chrysler manufacturing business last March. No price VW do Brazil's marketing has been mentioned officially play throughout.

people have decided that it but a figure of \$50m has been would not be reasonable to widely quoted in Brazil. The expect their customers whole-heartedly to accept not only a that it provided a venture in new shape but also a new engine the truck business—a natural diversification route but one that is proving rather difficult to follow.

Throughout its worldwide empire, VW has so far made only light commercials, but has now joined forces at home with MAN of West Germany, manufacturers of heavy trucks, to produce medium-weight vehicles which will be marketed through businesses . in jointly-owned Europe.

In Brazil a former Chrysler plant will be converted to pro-duce the VW-MAN six to nineas many suitable Dodge com-ponents as possible, including a Dodge V8 engine modified to run on pure ethanol. (Like all the Brazilian manufacturers, VW is involved in producing cars to be powered by ethanol under the provisions of the government's policy, though on out is still very low.)

Chrysler raducing about 2,500 D rucks a year in Braz<sup>11</sup> (compared with a capacity of about twice that level) and 12,000 cars. Output of Chrysler cars will probably continue until demand falls below economic levels. Most of the models are big cars and do not compete with VW.

Rather more surprisingly, VW thinking seriously about diversifying into the low-cost end of the vehicle business. It has been looking at the prospects for a joint development with Steyr-Daimler-Puch of Austria to make around 100,000 mopeds a year in Brazil, and perhaps even include capacity for pedal cycles.

Peugeot previously tried its luck with a plant in Brazil which had a sizeable capacity to make mopeds and cycles. But output never reached half of capacity and Peugeot gave up the project as a bad job. Whether VW goes ahead with the moped pro<del>-</del> ject depends a great deal on the kind of government incentives it might attract. Meanwhile, the news about the

Beetle is that it will remain in production in Brazil-where the last surviving examples are manufactured—for at another five years. V latest five-year plan and the Beetle has an important part to

**EDITED BY ARTHUR BENNETT AND TED SCHOETERS** 

## COMMUNICATIONS Fault-finding by telephone

ALTHOUGH REMOTE fault cates what will be needed on diagnosis has been employed by the visit, several computer makers, Digital Equipment Company is to is employing two PDP 11/70s implement a system which it (100 per cent redundancy) with claims is unique in that the a pair of 11/04s for autodiagnosis itself is conducted dialling. entirely by a computer which entirely by a computer which customers with 11/100 with sub-contracted process was inspects" the faulty min at have the front panel replaced this sub-contracted process was a contracted process was a contracted process was a contracted process was contracted process.

the other end of a phone line. by a microprocessor-based con- wasteful because big presses. A diagnosis centre has been sole. It works straight into a often squander energy on small for the UK and another is to Modem 2B.
be deployed at Valbonne in the All future high-end and south of France to cover con- medium range processors introtinental Europe.

about 1800 customers, mainly the trend is inevitable, even if with PDP 11/70 and VAX the cost of machines is inmachines have already been creased as a result; with connected to centres. In Europe hardware costs dropping conthe company expects to connect tinuously in real terms, the cost new customers at the rate of of a machine is in any case 100 per month, the total rising not the key feature but to over 10,000 within the next system availability seven days a There is to be no extra cost

maintained directly by the company. Facilities are built in to the latter and the former will be modified with a console vehicles. containing appropriate circuits. Even the phone call-which can be anything from 15 to perhaps 120 minutes, will be free.

Diagnosis is down to major component and board level, enabling the service engineer to go to the site with the right spares and with a clear picture of what is wrong. The company believes that customers' down time will be reduced while gackets. Faulty machines could packets. Faulty machines could be and attention paid to be much more precise. Experience shows that 30 per cent of the faults can be dealt with over the phone straight away and a 90 per cent success rate is scored with the remainder.

For the user, the task consists of no more than using a local charge Freephone number for connection to Basingstoke. After some routine identification and checking routines the diagnosis routine is worked through and everything is logged so that a file on each customer's machine is built up, making any later diagnoses even more effective since the history can be referred to. A diagnostic specialist at the centre monitors the routine and when the fault becomes apparent he rings the customer's local service office and indi-

To carry out the work DEC Customers with 11/70s will

duced by the company will have Some \$6m-has been pumped these diagnostic systems built into the project and in the U.S. in. The company believes that

week is. Servicing is also becoming to users of 11/70 and VAX more expensive in its conven-11/780 machines supplied and tional form since it is labour intensive, while at the same time fuel costs will have a serious impact on the use of

Meanwhile, the cost of communications lines in real terms will tend to move downwards. As the public packet switch- for operation is only 7 litres a ing networks start coming into minute at seven atmospheres, use transmission speeds will rise from today's 300-1200 baud the prospect will then arise of

he polied and attention paid to them only as necessary.

are The Chemical Bank, London, Rio Tinto Zinc, Bristel and British Ropes in Doncaster. UK general manager of DEC, industry. Similar techniques are coming into use for remote fault finding in telephone exchanges and ultimately it seems likely that many kinds of industrial product, increasingly themselves controlled by micros, will be fault diagnosed in this

More from Digital House, King's Road, Reading, Berks members) or £9.50 (UK non-(Reading 583555).

GEOFFREY CHARLISH customers.

## Technical News Packaged extrusion plants Power conversion circuits Power conversion circuits Contained within a standard are suitable for automatic discount and aid and plant in line package insertion techniques and can biggest

Using the I.P.T. process,

offered as a leased package,

every small item in aluminium

should now be much cheaper to

the introduction to the UK of a and formed Indirect Press Technew cost-cutting method of extruding aluminium. niques which provides a complete aluminium extrusion ser-Traditionally, Britain has re- vice to companies wishing to

lied on a number of highly produce their own extrusionsexpensively-equipped large ex- and so cut operating costs.
trusion plants to produce items trains the LPT proextruded aluminium, and it common for a company specialising in, say, the supply and fitment of double glazed windows to have the frames made and cut in such a plant. Such a company would almost probably own sole copyright to the shapes from which its alu-

minium products are produced. Mr. Blackhurst realised that

It is viable for companies (whose savings are promised to be between £160,000 and set up at Basingstoke, Hants, Post Office Datel line using a jobs which, added to the cost of buying of aluminium billets, transport and multi-stage hand- continuous mechanical main-

produce.

£300,000 a year) and includes the supply of all machinery, complete installations and comprehensive training of staff (one machine will usually require a labour force of nine); help with

### HANDLING **Prevents silo blockages**

silos is an airgun unit now available in the UK from Accrapak Systems, Taylor Industrial Estate, Risley, Warrington. An effective solution to the problem of arching or "rat-holing," of material often occur-holing, and the sile and the type of ring near the silo outlet is said material being handled. to be provided by the Bivika air gun which can be easily mounted on the cone of the silo interior to ensure a steady flow of material at the discharge

rise from today's 300-1200 baud time-wasting silo blockages, up to 9600 baud. Furthermore, assures the company. Unit is controlled by a four-VENTILATION

Among pioneer users (there are about 30 in the UK already) are The Chemical Bank Taxada equipment

A HANDBOOK on suitable ventilation plant for rubber and Darryl Barbe, believes that these kinds of technique will sufficient technical information soon be widespread in the data to enable company staff to design, commission and super-vise the installation of ventilation systems, has been compiled the Rubber and Plastics Research Association in association with the Building Services Research and Information Asso-

> Price is £8 (RAPRA's UK low. members), and \$25 to overseas

PROMISING to prevent a way solenoid valve which blockage of powdered or receives a signal from an elec-pulverised materials in storage tric timer. A single control unit

### COMPONENTS Cheap way minute at seven atmospheres, to control but this is sufficient to prevent a motor

MULLARD engineers have developed what is said to be the first really cost-competitive design for a system of ac motor speed control using pulse-width modulation. pulse-width modulation has not

so far been an economic propo-sition. However, engineers at the Mullard Application Laboratory have built a PWM synthesised sinewave system which exploits a purpose-designed micro-controller and other advanced components, now in production at Mullard. The Mullard solution provides singsoidal motor currents and full torque from crawl to reports essential for the profittop speed. It uses standard induction motors and its cost is

Mullard, Torrington Place, London WC1E 7HD. 01-580

A VOYAGE to the U.S. by Lon-don-based aluminium specialist and manpower than is necessary. It is companied to the companies wishing to jointly share an IPT extrusion process.

The need to conserve energy. The need to conserve energy

means a widening use for aluminium products, says the company, and these could now get cheaper when this new-to-the-UK process is adopted by the makers of window frames, doors, garden furniture, sports equipment, ladders,

vehicle trims, etc.
With the installation of an Impress Extruder in their own factories companies are prousing upwards of 700 tons a year mised dramatic cutting of purchasing costs (aluminium extrusions are currently purcosts (aluminium chased through an extruding company), increasing working efficiency, and the continuance of production unaffected by outside influences.

IPT, 174 Honeypot Lane,

Stanmore, London HA7 1EQ (01-204 7343). DEBORAH PICKERING

### • COMPUTING Aids estate agency work

INSTALLED by Birmingham estate agents, Shipway, Doble air guns mounted on a silo; and and Earle, a new system will the number of these air guns handle regulations introduced by the Royal Institution of Chartered Surveyors.

Named PROMIS (an acronym

for PROperty Management Information System), it is being marketed by Geest Mini-computer Systems to estate agents in Britain. It provides Shipway, Doble and Earle with on-line computer facilities which exactly match needs. In Shipway's case the

operate through a computer bureau. Based on a master file and a tenancy file, the service takes account of the estate agent's clients, properties and tenan-cies, and loan, investment or

system runs on its own com-

puter, but it can equally well

surety information.

The tenancy file contains For most purposes, especially information to trigger the rap-at power levels up to 50hp, ing of demands for the payment pulse-width modulation has net of rent, ground rent, rates, The information which can be provided from these two

files cuts out a large amount of the routine paperwork which bedevils estate agents. Moreover, because the computer works in "real-time" files can be kept up to the minute. The system also produces a wide range of management

estate agency. Geest Computer Services. White House Chambers, Spalding, Lincolnshire PE11 2AL. 0775 61111.

able management of a modern

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Available with five or 12 volt 15, ±12 and ±15 volts.

Called Gemini 600, these one watt units will fit standard integrated circuit sockets and printed board drilling patterns and can be assembled economically and quickly. They assembled peak.

flow soldered after be insertion.

High reliability is claimed for the units—a minimum mean inputs, the devices can be for the units—a minimum mean supplied with five possible output voltages including five, 12, 100,000 hours - and the operating temperature range is -25 to 70 deg. C. Load regulation is only 150mV from zero

to full load, while output ripple is a maximum of 30mV peak to

■ Ideas ·

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Twickenham Road, Feltham, Middlesex, TW13 6HA (01-894 More from the company at 5511).



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Kenning House, Welsh Harp, Edgware Road, London NW9. Tels 01-2026500	•
KIENNING Drive with Confidence	2

## JOBS COLUMN, APPOINTMENTS

## National hunt for unusual chief executive

BY MICHAEL DIXON

imagery, which, among job advertisers, seems to be a sible through the chairman to favourite means of expressing the Board of the group, desirable managerial qualities. which the agency seems desirable managerial qualities.

must come from much the same stock as myself, I suspect that any recruiter who assumes that First is broking of—as this imagery will necessarily distinct from breaking in—fine attract or even be understood horses. The second department b capable candidates, must be riding for a fall. The imagery to which I refer, is typified as

"Wanted: odds-on thoroughbred with classic track recordstrong finisher, and with good staying power when the going

Ordinarily the Jobs Column shies away from such tawdry metaphors. But readers should be warned that I may stray off job which, as managerial posts vestment market such as fine got is something of an out- art.

wards £3m. Mr. Mooney may insurance would help. not name the employer, which is a privately owned company, with the marketing of blood-

£6,000

AS ONE whose only mount has He therefore promises to abide been a bicycle, I rather bridle by any applicant's request not at a certain form of verbal to be identified to the company until permission is given.

The recruit will be responthe Since many good managers principal operation. The newcomer's domain includes departments engaged in four main

> combines what Mr Mooney describes as "stallion services" with insurance and shipping. Third is the administrative department, led by the manager/ accountant. The other activity is dealing in saddles and associated equine supplies.

As well as developing these tivities, the incoming activities, managing director will be expected to extend the business. The Board considers that a suitable line of expansion would be into other branches of course in discussing today's first the high-price, high-return in-

kind of experience The opening is being offered thought necessary is broking recruitment consultant and financial investment work Richard Mooney, of Spicer and of some sort, which has de-Popler. It is for a managing veloped skill in "middleman" director who is wanted in the negotiating of business deals horse-racing centre of New and the ability to manage 30 market by a bloodstock agency to 40 staff. First-hand knowledge with a reported turnover of to- of property, commodities and

EALIFIED ACCOUNTANTS

Scotland's largest Bank requires two young Accountants with at

The principal responsibilities of the positions respectively are:-1) The preparation of management and statutory accounts,

taxation, consolidations, forward planning and cash forecasting

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previous experience should be made in writing to:-

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JS Begg Esq

P.O Box 31

Assistant Staff Manager

42 St Andrew Square

**EDINBURGH EH2 2YE** 

2) To assist with the credit assessment of applications for

Applications and enquiries stating age, qualifications and

development finance and subsequent monitoring and

a strong advantage, and ex-perience in farming or horseracing would certainly do no harm. But they must not be

In addition, Richard Mooney says, applicants need to be per-sonable with "a commanding presence of strength without abrasiveness." I take it that he means that the new magaging director must not go at the job like a bull in a china shop. The age indicator is about 20-

Rewards include a profitshare or bonus based on results, plus basic salary negotiable from £10,000 to about £17,000. Other perks include car, and there is a prospect of share-purchase. Mr. Mooney is hoisting the starter's flag right at this minute at 3 Bevis Marks, London EC3A 7HL; telephone 01-283 2683, telex 884257.

### Prontaprint pair

SINCE northern entrepreneur Edwin Thirwell began his Prontagrint business in the franchising of small shops offering printing services, his managerial span has expanded Added operations include a contract cleaning business, a computer company, and a property agency. The Prontaprint franchises, whose customers tend to be small-to-

Airport and move abroad to build on overseas links already established in Canada and South Africa, not to mention the Chamili Islands. In doing so, he will take on the sole title of chairman, and he is therefore in need for someone to replace him as managing director of the

Prontabilint group. This job is one of two in the group being offered by Richard Robinson of the Otteridge recruitment consultancy.

Further developing as well as minding the "store" will be the major concerns of the recruit-the aim is to increase the £5m turnover to £60m in 1984. Strength in financial management is important, so candidates should have specialised in finance, perhaps as a qualified accountant, before climbing to become general managers with responsibility for profits and demonstrably able to lead a Board including executives covering sales, franchising, opera-tions and, of course, finance. The basic salary for this job

is negotiable around £20,000. There is a profit-share among the other benefits and there is up to 10 per cent of equity available for a share-stake, which Mr. Robinson says "in the longer term may become unavoidable."

The second opening is for surance would help. medium sized companies, are someone capable of becoming and Wallpaper Retailer, and—
If candidates are familiar said to be growing strongly, sales director within about 18 believe it or not—the Pet Store with the marketing of blood- Mr. Thirwell now intends to months. To reach the £60m tar- and Aquatic Trader. Even now,

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of the Association.

accountancy appointments

the group will need to establish 50 new franchises a year, by which time the print shops will almost certainly have extended their services by the incorporation of a wider variety of equipment useful to small and medium sized businesses

Cultivating this growth will be the main responsibility of the second recruit, who will need to identify and guide franchisees, develop new ranges of products, and train and lead the sales force. Much mobility will be needed.

Candidates should be successful sales managers in either the business machine or allied printing field, or in advertising or insurance. The age range is 35-40. Bonus on results should add 50 per cent, I'm told, to a basic salary around £10,000 to £12,000. Perks include car.

Inquiries to Richard Robinson at 199, Knightsbridge; London, SW7; tel. 01-589 1444, telex 24788.

### Magazines

THE NEXT offer raises a certain nostalgia in me because I started in journalism on monthly magazines, at the ad-vanced age of 28. Those I have worked on gloried in the titles, respectively of: Skinner's Silk and Rayon Record, the Paint

stock, they will obviously have move from the UK headquarters get, Mr. Tairwell projects that I can't look at a monthly magazine without wanting to sing Gaudeamus Igitur.

So I am touched to say that someone with successful experience of managing and developing the business side of such magazines is required by James Denholm, of Financial Appointments, to be managing director of the small and relatively magazine recently acquired subsidiary of a privately owned group based in London.

There will be profit-sharing plus a salary of around £10,000. and a carramong the perks. Mr. Denholm can be telephoned at 01-734 2603. Alternatively. written applications with detailed career outline and candidate's telephone number should be sent to him at 18 Golden Square, London W1. He guarantees not to disclose names if so requested.

### Africa

FINALLY, last Thursday I pointed out that a consultant in development banking being sought by the Fund for Research and Investment for the Development of Africa, might be decisive in preserving a Western-style democracy there. That was a true statement, but FRIDA is concerned lest my comment be taken to apply that the fund is politically com-mitted. It is not, its sole concern is to foster development in African countries, regardless of their political philosophy.

£9,000

### BRUSSELS

A qualified accountant with director potential is required by a well-inform US group which is establishing its European Corporate H.O. in Brussels. The appointment, as European Accountant, reports to the Regional Compoler. Specifically excluding audit, the role embraces investigations, performance monitoring and systems development. Applicants must be mobile and should speak good Franch. Benefits.

### **ACA FOR OVERSEAS**

A highly respected medium-sized professional practice requires two seniors — one for the Pacific Islands, the other for Central Africa. The former will primarily be engaged in audit work with some opportunity to undertake special assignments. The latter's work will be of a consultancy nature regarding financial and management, reporting systems. On completion of these short term contracts employment can

### AMBITIOUS ACA

A high calibre, recently qualified ACA is required for this analytical A high calibre, recently qualified ACA is required for use straywhat-investigative and advisory role. It is trains within the world-wide head-quarters of a well-managed and highly regarded group. The successful applicant will report to the Crief Accountant who takes a perticular interest in developing his staff. The present incumbent has earned namest in developing his staff. The present incumbers has earned romotion within 18 months. The new job holder will be expected to do

### MANAGEMENT POTENTIAL £8,500 + benefitz

As a qualified accountant with 2 years' industrial experience you would As a quainted accountant with 2 years industrial expensive you would enjoy excellent prospects with this British manufacturing company, a highly respected leater in its field. Your principal responsibilities would be the preparation of a comprehensive financial package including profit statements and sales analyses for one of the divisions, control of divisional accounts and investigations into accounting procedures, recommending improvements where necessary, in addition to staff supervision.

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Our Client, a large engineering company, part of a major US Group, is embarking on a programme involving several significant accounting projects. They require an ACMA who will report to the Works Accountant and be responsible for these key tasks which will include the development of standard costing, inventory control and job order systems. This is very much a role which will involve liaising with line management with particular emphasis on product cost investigations and computer applications. Candidates are likely to be 25-30, qualified and ambitious. Considerable emphasis is placed on this appointment where experience of an electrical/mechanical engineering environment would be a distinct advantage. Relocation expenses are available.

G.Sable. Ref. 29267/FT. Male or female candidates should telephone in -confidence-for a Personal History Form to: MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HB.

### INTERNAL AUDITOR c.£8.500

The European Division of a successful multinational corporation seeks applicants for the new position of Internal Auditor based in Surrey. The job will report to the European Director of Finance and covers operations in five countries, with sales of \$120 million and assets of over \$80 million. In addition to formal internal audit programmes and associated investigations, the function will assist management in developing. more efficient approaches to their business

The appointment calls for an exceptional young Chartered Accountant, with initiative, analytic powers, a mature presence, and the urge to create and develop a useful new role in a progressive management environment. A facility with European languages would be an advantage For the right person, the job provides an opportunity for career development in a few years into senior management.

Please send a concise personal and career summary to the Personnel Director, Foxboro International Limited, 12 Swan Walk, Horsham, West Sussex RH12 1HQ.

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The Royal Bank of Scotland

Research & Training

**London or Birmingham** 

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Acting as Deputy Director of Research & Training, this new and challenging appointment is for a senior member of a national team handling technical research and advisory services.

Candidates, probably in their mid 20's, will be working in accounting, auditing and allied fields with responsibility for the maintenance and development of audit manuals etc., the development of existing training material, and with occasional involvement in high level quality reviews. There are excellent prospects for the successful applicant who must possess the strength of character and dynamic qualities needed to succeed in this demanding environment.



Please telephone 01-405 9292 or write to Alan Punchard, Kidsons, Columbia House, 69 Aldwych, Loudon, EC2B 4BY.

### FINANCIAL ASSISTANT

The Financial Controller of an international freight-forwarding company located at London Heathrow Airport is looking for a Financial Assistant who is proficient in all aspects of accountancy with at least five years' experience. A knowledge of computers and airline/freight forwarding an advantage. Salary is open and negotiable depending on experience. Please send a written application stating qualifications and career to date.

> Write Box A.7019, Financial Times, 10. Cannon Street. EC4P 4BY.

### 2 PART/QUALIFIED ACCOUNTANTS

A large catering organisation situated in the West London area require two Accountants to handle various contracts abroad. The persons appointed must be prepared to travel on occasions for short periods

Joyce Cairns immediately on 61-748 9006 ALFRED MARKS STAFF BUREAU

Charity seeks an Accountant for its headquarters in the Kensington area of London. Good educational background and able to deploy and control staff. Not necessarily Chartered. Suit early retired. Salary negotiablebut not less than £6,500 per annum gross and Top Hat.

Apply in writing to

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Our Product Supply Sector will be your particular concern, looking to the future

and contributing towards the measurement and improvement of its effectiveness. Specifically your professional service will embrace system development, inventory reporting and capital expenditure evaluation. Overall, you will be directly concerned with a thorough appraisal of Product Supply Sectors' systems and reports, and the institution of revisions.

These responsibilities will give the qualified accountant we seek the opportunity to make a significant impact quickly. In turn there is the scope for rapid career development. We are looking for experience in industry, ideally of both inventories and management accounting, plus considerable self-motivation, ambition, and the ability to work easily with senior management.

Job Title

Relocation assistance is available where

Please contact Bill Marshall, Personnel Manager, Product Supply Sector, ICL, Cavendish Road, Stevenage, Herts: SC1 2DY, quoting ref FT 1599. Tel: Stevenage (0438) 3361 ext. 646.

### International Computers

Advertiser



### ACCOUNTANT Credit Control & Management Information .....

£6385—£7610 p.a. We are seeking an accountant (preferably

qualified) with experience of financial and management accounting in a commercial environment, to be responsible for the unit providing credit control management information and internal control systems, including the supervision and direction of staff.

Experience in computer based accountancy systems is essential.

We would consider applications from non-qualified accountants preferably those with knowledge gained in publishing or advertising. Starting salary according to qualifications and experience. Based Central London. Relocation expenses considered.

Contact us immediately for further details and application form (quote ref. 1039/FT and enclose s.a.e.): BBC Appointments, London W1A 1AA: Tel: 01-580 4468. Ext. 4619.

Management Accountant £9,000 + Sussex Extel Recruitment Benefits Coast · Head Office Financial £8,500. West End Personnel Resources Management Accountant £9.000 Essex Ernst & Whinney Management Accounting Credit Management Lloyd Management Robert Half £7,000 C. London £ Neg. U.K. or Treasury Role Qualified Accountant Brussels £10,000 Robert Half Robert Half London Divisional Accountant £9,000 + S.E. London Car Banking £9,000 + C. London Robert Half Mortgage Benefits Young ACA £8,500 Surrey Robert Half Thacker Motor Group Ltd A & A Consultants Accountant £ Neg. London Young Qualified Acco. Up to . £10,000 N.W. Surrey Chief Accountant £8,000 + A & A Consultants Car N. London Accountant A & A Consultants. £6,000 City of Investment Accounting Provident Mutual Life London Glynwed Group Services Sheldon, Taxation Accountant Birmingham Phone Richard Lebentz London W1 Accountant ... £8,000 on 01-637 9601 For the full text of the advertisements please see the Financial Times of that

date or telephone Sally Stanley on 01-248 5597.

These advertisements appeared in the Financial Times on January 15 1980

Location

Salary

## GENERAL APPOINTMENTS



RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH Tel: 01-588 3588 or 01-588 3576 Telex No.887374



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### OFFICE MANAGER

REMUNERATION £8,000-£10,000

Our Client, one of the world's leading Money Market Brokers, have an opening for an experienced Manager, male/female, aged 30-40, who has the personality to deal with people at all levels. Wide ranging responsibilities include maintenance, security, supervision of contractors, departmental budget, etc., and the supervision of 16 staff. The successful candidate will also be required to deputise for the Communications Officer in his absence and basic telecommunications experience would therefore be useful. Initial remuneration, by way of high basic salary + bonus, negotiable £8,000-£10,000, plus excellent benefits package. Applications with c.v. in strict confidence, under reference OM11973/FT, will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Managers.

> CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED 35 NEW BROAD STREET, LONDON EC2M 1NH

## Financial Planning & Analysis

Middlesex

up to £10,000 + car + benefits

Our client is a market leader in the mini/micro computer business. The continued expansion of their organisation has created a key new position for a dynamic young accountant to work on budget planning and monitoring, divisional consolidation, and management reporting for the European Operation of a California based corporation. Candidates may be either qualified accountants or numerate graduates who can

demonstrate a capability in the above areas. Salary and conditions are excellent, as are career prospects in this dynamic and expanding organisation. An element of European travel will be involved.

Please send your c.v. to, or request an application form from, Ron Burgess quoting reference number RB/FT/2701.



Personnel Consultants, 14 New Burlington Street, London W1X1FF.

## Corporate Financial Services Development Manager

This opportunity arises in a progressive director controlled group providing a comprehensive treasury service to some 400 UK corporate clients.

It will appeal to an enthusiastic person up to 40 years of age with industrial plus financial experience who enjoys meeting people at top level. The appointment is London appointment is London based with about half of

the time spent visiting companies in London and the South.

Remuneration will be £10,000+ per annum plus a car, profit sharing, contributory pension, private medical insurance and other benefits.

Please apply, with brief curriculum vitae to: Managing Director, Manchester Exchange Trust Ltd., Shelley House, Noble Street, LONDON EC2V 7JQ.

### BERMUDA **ACCOUNTANT**

Salary \$27,000

Age: Open

Our clients. International Lloyd's Brokers, have a vacancy in their Bermuda Offices for an Accountant qualified to ACA standard. The person appointed will have substantial experience in insurance or a related field and will report to the Senior Accountant.

Initially, please reply in strictest confidence to:

Nicholas P. Moore, Associate Director, or Christopher D. Stock, J.P.S. Group. Tel: 01 481 811), quoting ref. 43892.

### 

## **NEW ISSUES**

**c£13,000** 

The merchant banking group of a major continental bank, long established in the City, is expanding its New Issues activities. both in the British market, where the exchange control removal has created new opportunities for foreign issues, and in the Eurobond market where it is actively promoting its services to

The Corporate Finance Department needs to increase its team with a male or female executive, aged around 27-35 with a professional qualification or degree. He or she should have a sound experience in negotiating and setting up New Issues, gained probably with a merchant bank or a major stockbroker, and a capacity to conduct discussions at a high level with client companies. A knowledge of French would be a distinct

Non-contributory pension and BUPA schemes, low interest mortgage and promotion prospects are provided.

Please send full career details in confidence to:

Denis V.E. Howard

Recruitment and Selection Consultant Third Floor 4 Cromwell Place London SW7 2JJ

## Talisman and beyond. Analysts c.£9,000

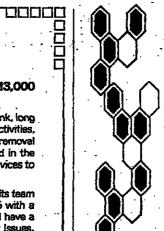
introduction of the service.

Mary Thom, Sepior Personnel Officer, The Stock Exchange, London EC2N 1HB. Tel: 01-588 2355.

The state of the s



The Stock Exchange



## Corporate Planning

The newly appointed Director of Corporate Planning, for a complex international metal trading group with manufacturing interests, requires an assistant to facilitate the introduction and development of strategic planning

Candidates, male or female, should have spent three or four years in commerce or industry after acquiring a technical degree and before obtaining an MBA.

The appointment will be City based and will carry an attractive salary and conditions of employment. Relocation assistance will be provided where necessary.

Applications giving details of career to date and present salary should be sent to the Group Personnel Manager, Amalgamated Metal Corporation Ltd., Adelaide House, London Bridge, London EC4R 9DT.

Amalgamated Metal 4\Corporation

### INVESTMENT MANAGEMENT

Due to continued expansion of business, a vacancy has risen for an experienced investment analyst in the investment Department of the Standard Life Assurance Company in Edinburgh. There are prospects of rapid promotion to a portfolio management post.

The company is the largest mutual life assurance company in the European community with funds in excess of £2.000m. In addition the Investment Department manages Pension Funds and unit linked

five years' relevant investment experience in an insurance company, merchant bank, investment trust, stockbroking firm or similar institution. it is likely that the successful candidate will have had a minimum of

Commencing salary will be based on qualifications and experience. The Company operates generous employee benefit schemes, including Non-Contributory Pension and Life Assurance Scheme, Staff House Purchase Scheme, Dining Facilities, etc.

Please write or telephone for an application form to:-The Staff Manager



3 George Street EDINBURGH EH2 2XZ. Tel. No. 031-225 7971

### MANAGER, PLANNING AND FINANCIAL CONTROLS ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION (ADNOC-FOD)

P.O. Box 4188, Abu Dhabi, United Arab Emirates

Applicants are invited to apply for the following position:

- Title of post: Manager, planning and financial controls. Qualifications required: qualified accountant or MBA.
- Experience required: minimum of five years' experience in similar positions in reputable organisations.
- Salary: in accordance with qualifications and experience
- Other conditions: proven ability to work under pressure and demonstration of initiative and creativity. Priority will be given to Arab nationals.

Handwritten applications, together with copies of certificates and credentials must be submitted to:



The Administration Manager, Abu Dhabi National Oil Company for Distribution, P.O. Box 4188, Abu Dhabi,

Charles Barker Confidential Reply Service

United Arab Emirates.

### International Management **Systems Consultant**

An experienced executive with the ability to diagnose all aspects of company operating and control systems is sought. The executive will join a head office management team, reporting to the Managing Director in charge of the overseas activities of a successful U.K. Group, active in the industrial and construction plant industry in Europe, North America Africa and Australia North America, Africa and Australia.

The job will entail thorough study of the management organisation and systems in each subsidiary, covering the accounting, sales and production functions. With this background, the auditor will be expected to recommend and assist in the implementation of changes in:

procedures, to harmonise practice throughout the Group ■ equipment and procedures to improve efficiency

The ability to perform these tasks must be coupled with a facility to summarise and explain complex subjects, both verbally and in writing, concisely and effectively. The position calls for a willingness to travel and to spend a major part of the year overseas on assignments lasting from 3 to 8 weeks. The applicants should have an accounting or computer systems background combined with managerial or administrative experience in a complex engineering industry environment. A management consultant with such a background would also be suitable. Ability to speak French or Spanish is an

Salary is commensurate with the responsibilities of the job; benefits include a car and the opportunity to join the

Ref. 1810

### **LEGAL APPOINTMENTS**

### **Assistant Solicitor Commercial Law**

London

c. £10,000

Our clients, a medium-sized successful firm of solicitors in the Holborn area wish to recruit a young solicitor who will work partly on his/her own initiative and partly under guidance of a

The successful applicant will probably be aged 25-35, with a career to date in a medium to large practice and with 3-5 years' experience since admission. The future prospects within the Please contact Chris Kuhn.

3rd Floor, Wheatsheaf House, 4 Carmelite Street, London EC4Y 0BN. Telephone: 91-353 1307/1308

Dennis Chatfield & Associates

### **COMPANY NOTICES**

BRISA---AUTO-ESTRADAS DE PORTUGAL S.A.R.L.

EUA 15,000,000 84% 1974/1989

Bondholders are hereby informed that the amortisation due on February 5. 1980, for which an amount of RUA 1,000,000 js plenned, has been effected by a draw by lot. Following, this draw which took place on January 7, 1980, in the presence of Maydame Januare Housse, Huissier de Justice at Lucambourg, the one thousand bonds of EUA 1,000 bearing numbers;

Nutrier de Justice at Louiseaux de come thousand boads of EUA 1,000 bearing numbers: 04.97 inclusive will be ende entere 04.97 inclusive will be ende entere 1981 and subsequents stacked, as from February 6, 1980, date at which they will case to bear lose at the endemotion of the said bonds and the payment of interests due on February 6, 1980;

CREDIT LYONNAIS, Laurenbourg CREDIT LYONNAIS, Laurenbourg CREDIT LYONNAIS, Laurenbourg CREDIT LYONNAIS, Laurenbourg CREDIT LYONNAIS, LAURENBOURGEOISE, Lupsenbourg COMMERZ, BANK A.G., Frankfurt — SANQUE BRUXELIES LAMERT S.A. Brussels — AMSTERDAM-ROTTERDAM GANK N.V., Amsterdam, N.V., Amster N.V. Amsterdam.
Ist of Solids proviously drawn and but yet presented for reseyment: Fabruary 8, 1978; Nos. 7410, 7411, 7420; Jac. 1979, Nos. 7610, 7611 7419, 7420; February 5, 1979; Nos. 30 to 33, 55, 65, 66, 78, 77, 84 to 96, 103 to 105, 113 to 115, 131, 132, 135 to 140, 159 to 462, 172, 173, 175, 177, 184 to 191, 200 to 202, 215 to 216, 221, 222, 235 to 237, 245, 246, 278 to 284, 257, 286.

Amount remaining in circulation after this 6th instalment: 5UA: 11.000.000. The Fiscal Agent CREDIT LYONNAIS, 4-members

EUA 12,000,000 912% 1975/1985
Bondholders are hereby informed that the amortisation due on February 21, 1980 for windows the amount of 1980 for the presence of Madame Jeanne Houste, Hutssier de Justice at Lunembours, the one thousand five handred bonds of EUA 1,000 bearing nombers:

8430 to 7929 Inclusive will be redeemable at par, coupon at February 21, 1981 and subsequents attached, as from February 21, 1980 date of the 1980 for the 1980 fo The Fiscal Agent CREDIT LYONNAIS-LUXEMBOURG

SOCIETE CONCESSIONNAIRE DES AUTORQUTES PARIS-EST-LORRAINE-APEL

### LEGAL NOTICES

PREVENTION OF FRAUD
(INVESTMENTS) ACT 1958
NOTICE IS HEREBY GIVEN that

1. Stewart Salmon and Company
Limited of 16 Hans Road, London
SW3 1RS and 4. Old Park Lane,
London W1Y 4AQ has relinquished
the -Principal's Licence issued pursuant to Section 3 of the Act, having
cassed to carry on the business of
desting in securities.

2. Mr. T. Soon Shiong has made application to the Department of Trade
pursuant to Regulation 5 of the
Prevention of Fraud (Investments)
Deposit Regulation 1944 (S R & O

1844 No. 541) for the release of the £500 134% Treasury Stock 1997 deposited in pursuance of Section 4 of the Act.

Any persons having a claim on the funds representing the deposit should send their names and addresses and details of their claim to the Assistant Secretary. Companies Division. Department of Trade, Sanctuary Buildings, Great Smith Street, London, SW1, not later than 13th February 1990.

TRAVEL

GENEVA, Basic. Zurich and Barne, wides thoke of cheap flights from 4 U.K. air parts. Brochure FALCON, 01-351 2191

### **APPOINTMENTS**

## Senior posts at Royal Bank of Scotland

THE ROYAL BANK OF SCOTLAND has made the following appointments from March I: Mr. John S. G. Kirkland, at present general manager (Northern Region), is to be senior general manager with responsibility for domestic hanking. Wr. James H. Shaw. banking. Mr. James H. Shaw, at present general manager (Glasgow), becomes senior general manager with responsibility for corporate finance, international business and development and marketing. Mr. Charles M. Winter, at present general manager (Southern Region), is made senior general manager with responsibility for

NORMALAIR-GARRETT has appointed Mr. Peter G. Cockell as general marketing manager.

staff, property and administra-

Officers elected at the GRAIN AND FEED TRADE ASSOCIATION: Mr. F. R. Alexander (managing director of James Richardson and Sons Overseas) was elected president in succession to Mr. P. A. Metaxa. Deputy president: Mr. J. M. McKean (managing director of Thos. Borthwick (Glasgow), UK vice president: Mr. L. J. Wright (director of Pauls and Sanders), European vice president: Mr. A. C. Braakenburg (Pell Nederland BV).

Mr. Peter H. Edgley has joined the main Board of KENT MESSENGER.

J. R. FORRESTER AND CO., member of the John Williams aroup, has stated that Mr. M. W. Wallace, at his own request, is relinquishing the post of managing director on January 17. Mr. Wallace will remain a director and Mr. J. W. Forrester will combine the duties of chairman and managing director.

Mr. Nigel Chambers, formerly chief estimator, has been appointed director of WALTER LAWRENCE (EAST ANGLIA), part of the Walter Lawrence

Mr. Frederick McCleneghan has been appointed industry director of CORBY, Northants. He is at present assistant director of industry at Peterlee and takes up his new post on April 1.

Mr. Robert J. Boyle has beome vice-president, research, engineering and construction of TEXASGULF INC. He succeeds Dr. James R. West who is retir-ing at the end of this year.

G. F. Gray has J. D. White.

been apointed managing director of WINCHESTER BOWRING.
of REDIFON TELECOMMUNI-CATIONS in succession to Mr. Rediffusion Group.

Mr. Brian Taylor has been made managing director of NOR-FLEX.

Mr. Paul Anthony Brooks, who joined the TSB Trust Company as assistant general manager finance and investment has been appointed company secretary.

Mr. John Wilcox, North West Europe area director for the International Wool Secretariat, has been appointed chairman of the RETAIL TRADING STAND ARDS ASSOCIATION in succession to Mr. Garvin Fisher.

Mr. D. Collier and Mr. J. G. Dodds have been appointed directors of F. W. WOOLWORTH . AND CO. Both are long-serving executives with wide experience.

Mr. F. C. Baker has been elected chairman of the COUNCIL OF IRONFOUNDRY ASSOCIATIONS in sion to Mr. D. J. Atkin. managing director Castings, Bedford. Teeman, managing director of The Clay Cross Company and chairman, East Midlands region of the CBI, has been elected

deputy chairman. office of BARCLAYS BANK has been restructured by the appointment of two senior corporate managers, Mr. B. F. Page and Mr. J. A. Pearce, who will take the place of Mr. A. Waterhouse, a branch director who retires on February 29. Mr. W. A. Lower remains a branch director and will assume sole overall control of the branch.

Mr. P. R. Fyson has been appointed a non-executive director of GOMME HOLDINGS. He is a director of CompAir.

Mr. John A. Harper is to join the main Board of STAVELEY INDUSTRIES as an executive director. He is an executive director of Lindustries, and has previously held senior appointments in other companies, including Smiths Industries and

Mr. H. Houghton has been elected chairman of STEN-HOUSE HOLDINGS to succeed Mr. John G. Stenhouse who will retire on February 14. Mr. Stenhouse will remain a director. Mr. Paul H. A. Stenhouse, a son the late Mr. Hugh C. Stenhouse, chairman of the company from 1957 to 1971, has been appointed a director.

Mr. Rene Gold has been appointed to the Board of FOSTER TURNER AND BENSON.

Mr. G. H. J. Robinson has been appointed chairman of SPRING GROVE SERVICES in succession to Mr. G. C. Rowett, who remains on the Board as a non-executive director. Mr. Robinson is chairman of Denbyware, chairman of the Sangers Group, a director of Minster Assets, and appointed a director of the BET chairman of Denbyware, chairman of the Sangers Group, man of the BET group's plant a director of Minster Assets, and hire interests, which comprise a regional director of National

\* Mr. R. G. Rutty has been Mr. A. C. Chipperfield has appointed an assistant director

The MANPOWER SERVICES W. S. Robertson who remains COMMISSION has appointed chairman. Redifon Telecommunications is part of the National Association for the Care and Resettlement of Offenders, to represent the interests of voluntary organisations on the MSC's SPECIAL, PROGRAMMES BOARD. She replaces Miss Valerie Coleman of Task Force who has resigned.

> Mr. Neville Price has been made managing director of GRADUATE APPOINTMENTS.

### LA REDOUTE

In his year-and letter to shareholders, Mr. Hearl Pollet, Chairman, takes stock of the company's situation at the end of the first helf of 1979/1980 (March 1-August 31) and of the Group's operations to November 30, 1979, LA REDOUTE S.A.

In the first six months of the fiscal year, turnover, including taxes, reached Frs.1,561 million, up 15.6% from Frs.1,350 million. The net profit rose from Frs. 14.5 million to 15.3 million after a 1.8 million forecast for depreciation in value of the VENCA shares and a Frs. 1,5 million provision for losses and charges due to the ceasing of activities of SARTHA. In the first nine months, turnover, including taxes, rose to Frs.2,677 million against Frs.2,300 (November 30, 1578), showing an increase of 16.4%: For the total of the fiscal year the rate of improvement should be up to about 15%. SUBSIDIARY AND AFFILIATES

SUBSIDIARY AND AFFILIATES

As at November 30, 1979:

—Only SOCIETE NOUVELLE D'EXPANSION REDOUTE with a turnover, including taxes, of Frs.161,0 million, is below forecast (+7.1%).
—EDITIONS ROMBALDI's turnover, including taxes, reached Frs.84.4 million, an increase of 21%.
—FINAREF, recently taken over 100%, collected Frs.45.5 million in premiums, i.e. an increase of 9.8%. Returns were diminished by the terms of the recent decree covering financial astablishments.
—PREMAMAN shows an increase of 20.2% of its activity, reaching Frs. 165.3 million.

As of Jenuary 1, 1980, the company has acquired for Frs.8 million, 80% of SODIREG'S capital, a company which owns and operates the PRENATAL and MATERNA network.

As of Jenuary 1, 1980, PREMAMAN will form a group comprising 215 subsidiaries and close to 250 affiliates.

Abroad, VESTRO's progress is confirmed, business having gone up by 21.1%. If this improvement continues, the company should slightly reduce its deficit.

In Spain, in accordance with the Board's decisions, all shares held in VENCA have been ceded. REDOUTE GROUP

Consolidated turnover as at November 30, reached Frs.3,344 million, an increase of 15.3%, against an increase of 14.5% at the end of the first six months 1979/80. While the consolidated net profit is expected to show an increase compared with the previous year, it is difficult at this point to determine its volume because of economic uncertainties.

YOUR ESSENTIAL GUIDE TO THE REAL COST OF LIVING ABROAD

### LIVING COSTS **OVERSEAS**

a guide for businessmen Published by The Financial Times Business Publishing Ltd.

The new 1980 edition of Living Costs Overseas will provide you with the most up-to-date guide available to the expenses you are likely to incur in sixty-six of the world's major business centres. Whether you are spending a day in Budapest, a week in

Amsterdam or even perhaps six months in Abu Dhabi, you will find a copy of Living Costs Overseas an indispensable travelling companion.

For further details please write or telephone:
Book Sales Dept., The Financial Times Business Publishing
Ltd., Minster House, Arthur Street, London EC4R 9AX.
Tel: 01-623 1211. Telex: 8814734 BUSPUB G.

Yes, we successfully implemented Talisman (the new computerised Settlement system) in 1979, so you might ask why we are looking for staff. Well, to maintain our competitive position in the stock market world we are both extending the scope of the system and exploring future requirements. To help us do this we are seeking experienced analysts to carry out the whole range of tasks involved from feasibility studies through to introduction of the service.

If you have at least 3 years' experience of analysis or design, enjoy breaking new ground and making a major contribution within a small team, then why not write to me with full details of your experience and qualifications:



## A new test of U.S. confidence

BY DAVID LASCELLES IN NEW YORK

reason for this surprising omis-But it may also have to do with the fact that there is a rather quaint alternative colled the "Help wanted" index.

This series was not devised by the Labor Department, or indeed by any government department, but by a certain Mr. William A. Berridge who worked more than 50 years ago os an economist at the New York Metropolitan Life Insurance Company. And unlike most statistical series it is amazingly simple.

### Accurate

Mr. Berridge had the idea that the state of the labour market could be gauged by simply counting the number of help wanted advertisements that appear in the newspapers, and tracking the monthly changes. So he got major publications up and down the country to send in their monthly totals, which he then collated, weighted by region, adjusted seasonally, and published as an index.

Fifty years later, Mr. Berhas been taken over by the New York Conference Board, the business research organisation which publishes a whole range of statistics. And though the Board's approach is a little more scientific than Mr. Berridge's. the basic work remains the same. Every month, want ad numbers come pouring in from 51 market centres, and are processed by the Board into an inden which is now based on 1967 = 100.

The results have been surprisingly accurate. Over the the index has never strayed far from the unemployment trend. And though many economists treat it with caution because of the somewhat crude way it is put together, few dismiss it outright, and most say it is a positive help.

The weakness of the index, of market or in employers' adver- ing weeks of last year.

† Indicates programme

in black and white

BBC 1

9.35 am For Schools, Colleges. 12.45 pm News, 1.00 Pebble Mill at One, 1.45 Trumpton, 2.00 Yeu

and Me. 2.14 For Schools, Colleges, 3.25 Decirau Siarad, 3.53

Regional News for England (ex-

cept London). 3.55 Play School (as BBC2 11.00 am). 4.20 Yogi

Bear. 4.25 Jackancry. 4.40 Animal

Magic. 5.05 John Craven's News-

round, 5.15 Grange Hill. 5.35 The

5.40 News.

FOR ALL its obsession with tising policies. But Mr. Kenneth statistics, the U.S. lacks a series Goldstein, the Conference Board that other countries lay a lot economist who puts it together, of store by: job vacancies, that says that there have been suruseful indicator of the supply prisingly few changes in the side of the labour market. The size and composition of the newspaper sample the Board has sion probably lies buried some-where in the Labor Department. says it makes little difference that one ad may be for ten secretaries and another for one truck driver; over time the mix of advertisements is fairly consistent. It is far more impor-tant, he says, that the count be based on the major newspaper in a given market, and that it include Sunday advertising, which is traditionally the

> The index's strength is that help wanted ads cover precisely the area of the job market which has the biggest and most meaningful fluctuations: low to middle skills. Because it is assembled on a geographic basis, it also shows regional shifts in employment patterns. Long ago, it showed the drift from the Northeast to the sunbelt in the South: indeed, it has also lately begun to suggest a reversal of that trend.

### Misleading

Another of its virtues is that it has turned out to be a lead-ing indicator at times of economic boom: employers take ridge is no more. But his work on more people when they think business is going to be good. Because of this it also tends to peak out before the economy because it reflects employers' growing nervousness.) But it lags at the trough because employers generally wait for an economic upturn before taking on new labour.

In fact, it is somewhat misleading to call it a "help wanted" index because what it really reflects is the state of business confidence rather than what is going on in the labour market. So what does it tell us right now as the U.S. economy appears to be hovering on the brink of a recession?

Well, after gaining strongly in the Surprisingly good third quarter, the index dipped sharply in November (the latest figure available), which suggests course, is its susceptibility to that business confidence may newspaper have begun to wane in the clos-

5.55 Nationwide (London and

and South East only).

All Regions as BBC1 except as

Wales-10.38-10.58 am I Ysgo-

lion. 4.40 Crystal Tipps. 4.50-5.15 Bobo! Bach. 5.55-6.20 Wales To-

(London

South East only).

7.20 The Rockford Files.

9.25 Flesh and Blood.

11.05 News Headlines.

11.97 Question Time.

News.

19.15 Sportsnight Special.

6.20 Nationwide.

**6.50** Robbie

8.10 Decision.

9.00 News.

## Facilities at conference centres

tions business are often accused of being the worst communicators. Perhaps there is justification for the complaint, but if the number of conferences they hold is anything to go by, they can hardly be accused of not trying. Top of the conference pops at present in London are events devoted to Prestel and viewdata — which sometimes occur at the rate of two per month (the next one on January 29 is on the theme of using Prestel and Oracle for advertising; organisers Mills and Allen Communications).

Video is the other popular theme for the communications industry. It is the leit motif in another London event early next month, Communication in the Eighties, organised by Meridian Conferences, Videocassettes and national annual event also in London, now in its fourth year, renamed ViD 80, this is staged by Nord Media at the end of March. Video is even the subject of a forthcoming Thames Television programme in the New Inside Business series. York has just staged one on women and the media, San Francisco next month examines the problems of TV programme executives, and Toronto plays host in February to the Society of Motion Picture and Television

These conferences frequently have one thing in common that should seriously worry the conference industry: problems in dated for a buffet luncheon.

PEOPLE in the communica- using audi-visual media. The difficulties stem from neglect as much as ignorance—from the rash assumption that a handful of colour slides and a couple of reels of film present no technical difficulty when dropped into a

Yet the real troubles begin with the venues. There are still very few international conference centres which have been designed and equipped well enough to handle all of the modern audio-visual media efficiently. One of the better venues is in London, the Princess Anne Theatre of the British Academy of Film and Television Arts, which can cope with most permutations of 16mm and 35mm film, is equipped with television monitors in the auditorium (and even a broadcast TV land line direct from the transmitter to video discs have their own inter- avoid the use of aerials) and has an extremely comfortable auditorium.

> None the less, this theatrewhich resulted from the expertise and equipment donations of the media industry itself-shows that however hard one tries there are always problems. the Princess Anne Theatre first opened, it could only handle multivision slide projection by mounting the projectors in the auditorium, there being no room in the box, and only recently has it been able to cope with stereophonic sound on 16mm film. Although it seats 213 people, less than half that number can be accommo-

generally present difficulties if of places to drive to at times. significant usage of audio-visual are planued film projection equipment should be located in

sound proof projection boxes for a start. Some hotels have inadequate black-out arrange-

If an audience of 200 has to facilities). Next choice is the be fed at a London conference, superbly, equipped Heathrow the choice is limited. Hotels Hotel (262), but not the easiest

Yet many international conferences require seating and catering for 350 people upwards, which means moving to an hotel or some of the less satisfactory halls where audioments.

If live television is to be limited or lacking in peremployed, the aerial systems in fermance. The situation is not

### FILM AND VIDEO

BY JOHN CHITTOCK

many hotels will be found unsatisfactory (or even nonleast the choice is considerable.
Existent where relay television in many European cities it is is used). The introduction of frequently easier to find a grand heavy equipment may be inhibited by access problems, and the room acoustics are sometimes unsatisfactory-especially when room dividers are used to separate two simultaneous conferences. I have also yet to find an hotel where the waiting staff do not carry on their own conferences, off stage, during the formal proceedings.

In central London, the audiovisual conference organiser seeking a venue in the 200-250 range which can cope with most if not all of these problems must go to Sudbury House (202). There is little else that can cope with everything (viz. television, 35mm film, 16mm and other

will see him going to post as

one of the hottest favourites

in the Schweppes race's history.

sport in the north, backers may

be best advised to wait at

Sedgefield for the 2.45 event,

the Sands Novices Chase. Here

Inter State, who was running on

creditably when third behind

Turning to this afternoon's

venue for 750-1,000 than for a mere 350.

The use of a hall too large for the occasion is dispiriting for the speakers and in consequence is liable to cast a gloom over the occasion. At least in this situation, hotels, without fixed seating can cope better by using classroom type lay-out with baize tables; the poorly-attended conference then looks quite full.

For any conference which will make substantial use of audiovisual media, the cardinal point of advice is to appoint a techvenue is staffed with its own still fail to use cable-free radio only complete rehearsal will operators, overall technical microphones for handling quesdisclose the most cruel tricks management should be a high tions from the floor — even of fate

priority. For inadequate - someone has to along a crowded row of people. recognise this and rectify the shortcomings. If the solution means bringing in extra equip-ment, the absence of a technical co-ordinator can lead to chaosincorrect plugs, mis-matched apparatus, mis-handled opera-

Most important of all, the to the operators with clear instructions; and a good co-ordinator will have ensured, weeks beforehand that no speaker is bringing material that presents technical challenges (a very common occurrence, often discovered two minutes before the speaker is due to go on).

numerous conferences where speaker without being certain auditorium as if I had been that he was actually sitting in sitting there all of the time. the auditorium.

newly available

priority. For example, the "rifle" microphones which can standard facilities that come be aimed at the delegate without with the auditorium may be the need to pass the instrument The new generation of video projectors now available could also enhance many conferences No longer should a crowded hall of 200 people have to peer at tiny television sets staggered along the aisies.

Perhaps most crucial of all andio-visua? technical co-ordinator should be feature in a conference is the the first person every speaker need to rehearse. Only sees when arriving at the conference venue. Slides, films, tapes, all have to be handed over the unexpected snags. Murphy's Law might have been Law might have been discovered at an audio-visual conference.

My own near narrowly averted, was in Stockholm last September at the end of a very complex presentation involving all of the media. The pay-off was a demonstration of holography in the darkened How many conferences even auditorium, during which time direct the registration desk to I slid out of a stage exit to report the arrival of all come round to the auditorium speakers? I have been to and secretly take a seat; from the stage, a tape recording of the chairman has been obliged my voice was meanwhile about to nervously introduce the next to introduce me in the

Only in a complete rehearsal A good technical co-ordinator on the morning of the conwill be up-to-date in knowing of ference did I discover that the newly available equipment door through which I was which can make a great going to enter the auditorium difference to smooth presenta- had been locked. Perhaps it tion. It is surprising, for would have been a funnier

## Snowtown Boy in brisk demand

valley, the length runner-up to

Danish King in the Lanzarote

(in which Tailem Bend finished

third), would not have as

bright a chance as Snowtown

Boy in the February renewal

of Newbury's most prestigious

The two-lengths conqueror of

Norfolk Arrow in the Berk-

shire's Challow Hurdle 13

months ago, when trained by Miss Auriol Sinclair, Snowtown

Boy made a mockery of the

weights for the Boxing Day

Handicap Hurdle at Kempton.

flight by Winter's assistant, Mr.

Let down at the penultimate

National Hunt handicap.

while back that his Loughna- it could be that further support

ALL THE major firms still hopes. For he decided some demand for Snowtown Boy and report good money for Snowtown Boy in the Schweppes Gold Trophy and the gelding is now firm favourite for the February 9 Newbury race, in which Toby Balding saddles three — Tailem Bend (Ian Decent Fellow Gettie),

### RACING BY DOMINIC WIGAN

(Richard Linley) and Sheer Silk. Riding plans have yet to be announced for the last-

Judged OR Saturday's Lanzarote Handicap Hurdle at Kempton Fred Winter must be looking forward to the increased Schweppes

7.40-8.10 A Question of

Oliver Sherwood, Snowtown assailable lead.

Boy quickly established an un-

There seems every reason for

Drawings. 12.10 pm Pipkins. 12.30

6.00 Thames News.

8.20 Robin's Nest.

Gilmore.

12.15 am Your Music at Night

9.00 Hollywood.

6.35 Crossroads. 7.00 Charlie's Angels.

8.00 Armchair Thrilles.

10.00 News.
10.30 "The Wicker Man" starring Edward Woodward, Britt Ekland and

All IBA Regions as London

Week with Rev. Alec

Christopher Lee. am Close: Christian Unity

except at the following times: **ANGLIA** 

1.25 pm Anglis Naws. 5.15 Emmerdale Ferm. 6.00 About Anglis. 7.00 Bygones. 7.30 Selwyn. 10.30 Tussday Late Film: "A Man With the Power."

ATV

12.30 pm George Hamilton IV. 1.20 ATV Newsdesk. 5.15 Circus. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 England. 10.30 ATV Newsdesk. 10.36 The Tuesday Movie:

BORDER

1.20 pm Border News. 5.15 Father Dear Father. 6.00 Lookeround Tuesday. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Luke's Kingdom. 11.30 Stars on Ice. 12.00 Border News Summary.

CHANNEL

1.20 pm Chennel Lunchtime News and What's Ort Where and Weather. 5.17 Beiley's Bird. 6.00 Report at Six. 7.00 Charlie's Angels. 10.28 Channel Lata News. 10.25 TV Movie: "Virginia Hill." 11.50 Commentaires at Previsions Meteorologiques.

GRAMPIAN

GRANADA

6.25 Help!

Starlight Lad and Black Market in the Widgeon Novices Chase at Newcastle on January 12, looks a sound proposition.

> SEDGEFIELD 12.45-Young Horn 1.15—Henry Hotfoot\*\*

1.45-Orchard Hero 2.15—Eilerby Lord

2.45-Inter State\*\*\* 3.15-Tough Guy\*

Film of the Week: "The Storytelfer." HTV ort West Headlings

FT Index. 1.20 Thames News. 1.00
Airport Chaplain. 2.00 After
Noon Plus. 2.45 Wilde Alliance.
3.45 Three Little Words. 4.15
Get It Together. 4.45 Magple.
5.15 Emmerdale Farm.

8.45 News.

1.20 pm Report West measures. 5.15 Magila Gonila.
The Entertainers. 5.15 "First Down Bellow, starting Hitz Hay-worth and Robert Mitchum. HTV Cymru/Weles—As HTV General Service except:—10.16-10.31 am Mwy Neu Lei. 1.20 pm Penawdau Newyd-dion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.15-4.45 Sbardun. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Quast of Eagles. 10.35 Bywyd. 11.20 World in Action. 11.50-12.20 am Father Deer Father.

SCOTTISH

1.20 pm News, Road and Weather, 1.30 How's Your Father, 5.15 Border Tales, 6.20 Crossroads, 6.00 Scotland Today, 6.30 What's Your Problem? 10.30 Lata Call, 10.35 Midweek Movie: "The Champagne Murders," starring Anthony Perkins.

SOUTHERN

1.20 pm Southern News and Weather. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Dey by Day. 7.00 Emmerdale Farm. 7.30 Father Dear Father. 10.30 Southern News Extra. 10.35 "If He Hollers, Let Him Go," starring Dana Wymter.

TYNE TEES 9.20 am The Good Word followed by 9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Looksround. 5.15 Selwyn. 6.00 North East News Headlines. 6.02 Croasroeds. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 Survivel. 10.30 Come in, if You Can Get In. 11.00 North East News Headlines. 11.05 Tuesday Movie: "The Man Who Had Power Over Women." staring Henry Fonds and Leslie Caron. 12.50 am Epilogue.

ULSTER 1.20 pm Lunchtime. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossmads. 6.00 Good Evening

1.20 pm Westward News Headlines.
5.12 Gus Honeybun's Birthdays. 5.15
Balley's Bird. 6.00 Westward Diary.
10.32 Westward Late News. 10.38 TV
Movie: "Virginia Hill," starring Dyan
Cannon. 11.50 Faith For Life. 11.55
West Country Westher and Shipping
Forecast. YORKSHIRE

Archers. 7.20 The Restless Years. 8.05 In Touch. 8.30 The Manipulators (Advertising and public relations.) 9.15 From Our Own Correspondent. 9.30 Kaleideacope. 9.58 Westher. 10.00 The World Tonight. 10.30 The Hitch-Hiker's Guids to the Galaxy. (s). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

THEATRES OPERA & BALLET

COVENT GARDEN. CL. S. 240 1066. (Cardescharpe credit cards 836 6903). THE ROYAL BALLET Tomor & Sat. 7.30-The Steeling Beauty. Mon. 7.30. Mayording.

Mayord

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Ulater. 7.00 Emmerdale Ferm. 7.30 A Drop in Your Hand. 10.29 Ulater Weather. 10.39 Feature Film: "The Storyteller." 12.15 am Badtime. WESTWARD

9.20 sm First Thing. 1.20 pm North News Headlines. 5.15 Emmendele Farm. 6.00 North Tonight and Area Weether Forecast. 7.00 The Love Boat. 10.30 Country Focus. 11.00 Reflections. 11.05 The Tuesday Thriller. "The Girl on the Lats Night Show." 12.25 sm North Lats Night Headlines. 1.20 pm Calendar News. 3.45 Calendar Tuesday. 5.15 Selwyn. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdals Ferm. 7.30 Survival. 10.30 The Big Pictura: "Play Misty For Me." attaring Clint Eastwood. 12.20 am George Hamilton IV. 1.20 pm Granede Reports, 5.10 This is Your Right, 5.15 Crossposes, 6.00 Granede Reports, 6.30 Emmerdale Farm, 7.00 A Man Called Stoane, 10.30

CLASSIC 1, 2, 5. Maymarket (Piccadilly Circus Tubel: 01-839 1527.

1; APOCALYPSE NOW GO. A 70 mm Doby stereo presentation. Props. 1.30
4.30, 7.40.
2; CARVANS (A). Props. 12.40 (net Sun.) 2.50; 5.20 7.55.
3; MOONRAKER (A). Props. 12.45 (net Sun.) 3.00; 5.35, 8.15.

CLASSIC POLY, Oxford Circus (Upper Regent Street), 637 9853, LAST 2 DAYS! STRAW DOCS XJ. DEATH WEEKERD (X), Progs. 1.20 (not Sun.), 3.26, 7.00;

ODEON HAYMARKET .930 2738-2771) Jill Clayburgh in Bertplucci's LA LUNA (X): Sep. peris, Wks. 1.45, S.05, B.10 DEFON LEICESTER SQUARE (930 6111).
THE BLACK HOLE (A). Sep. Pross. Div.
Drs. Open 1.15. 4.30, 7.45. All Seats
Bookable at Box Office or by Post.

ODEON MARRIE ARCH W2 (723 2011-2 ONE FLEW OVER THE CUCKOO'S NEST (X). Sep. progs. Sun-Fri. Drs. Open 57.00, Sat. Drs. Open 1.00. 4.15 7.40. Evening perf. and weekends bookable in advance. PRINCE CHARLES, Letc. So. 437 8181.
World Premiere Presentation MIGHT
GAMES CK.: Sep. Perfs. Div. (Inc. Sep.)
12-20, 2-45, 5-55. 8-55-18-35 from Fri.),
Late Show Mightly 11.15. Seats Bible,
Licensed Bar. SCENE 1 and 4, Leic. Sq. (Wardour St.). 439 4470 1: TIME AFFER TIME (AA). Progs. 12.35, 2.35, 5.15, 7.35. Late Show Fri. and Sat. 10.40. 4: ALEN (X). Progs. 1.05, 3.35, 6.00. 8.30. Late Show Fri. and Sat. 10.55.

o-su: Law Show Fri. and Set. 10.55.
STUDIO 1, 3 and 4. Oxford Circus. 437
3300. Licensed Bar. Time: (AA). Progs.
1: SIME AFTER TIME (AA). Progs.
1: SIME DEER HUNTER ON. 12.45, 4.05.
7:30. Late Show Set. 10.50.
4: APOCAL PPSE NOW ON. Sep. Peris.
Daily 1.45, 4.50. B.00. Late Show Set.
11.10. Serts Bookable.

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SANDFORD GALLERY, Covent Garden, 1. Mercer Street, Long Acre. WC2. Mon-Sat. 11-6. Fantasies, stoges, motor care, abstract and landscape paintings until 22 Jan. CRANE KALMAN, 178, Brompton Road SW3. 01-584 7585, 20th CENTURY BRITISH PAINTINGS, Until 31 January, Mon.-Fri, 10-6, Sat. 10-4. OMELL GALLERIES, 40, Albembrie Sm.
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# 5 A North Briton goes to one ACROSS

F.T. CROSSWORD PUZZLE No. 4.180

1 Professional man the classroom knocked into shape

round piano (7) 11 Beastly impertinence is a bloomer (7) 12 Man joins Eva Turner in cast (5)

13 Pointed weapon that could come to heel (8) 15 A French article on race finished unaccompanied (10)

10 Look at small creature going

vote (4) 20 Not much of a fight for most of the tricks (6, 4) 22 Against cash we hear being given for metallic element

16 Chief church supporter (4)

18 Persuade company to have a

24 Spine broken in north (5) 26 Brasshat who is not particular (7)

27 Nonconformity of daughter is posted (7) 28 Average firm has to be in earnest (4, 8)

DOWN 2 Accountant's day with a cold

sweet (7) 3 Tear poet apart for writing musical (8) 4 Departed in the small hours

time premier race meeting (5, 5) 6 Pull the Spanish drier (5)

Taie-letter joins engineers in due course (7) 8 Free from outside direction . . . (7, 6) 

17 Discard modern plane? Maybe it's possible (8) 19 Name and initial of Caesar's champion? Just the opposite

21 Cat left one love by loch (7) 23 Girl blacked for transporting prisoners (5) 25 Cockney March (4) takes cover in

Solution to Puzzle No. 4,179 DERN ALTIGHT



The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 12.07 am News and Weather for Wales. Scotland-10.38-10.58 am For

Schols. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 6.50-7.20 Sing Along with Sunshine. 10.15 Current Account. 10.45 Can Seo. 11.20 Write Away. 11.35 News and Westhern for Scotland. Weather for Scotland. Northern Ireland—10.38-10.58 am For Schools. 3.53-3.55 Northern Ireland News. 5.55-6.20 12.07 am Weather / Regional

Scene Around Six. 6.50-7.20 As I Roved Out. 10.15 Spotlight on Northern Ireland affairs. 10.45 "Tuning In." 11.35 News and Weather for Northern Ireland. England-5.55-6.20 pm Look
East (Norwich); Look North
(Leeds, Manchester, Newcastle);
Fidlands Todays (Birmingham); day. 6.50 Heddiw. 7.10 Pobol y 's West (Bristol); South To

day (Southampton); Spotlight South West (Plymouth), 6.50-7.20 East (Norwich) Daly on Tuesday: Midlands (Birmingham) Look! Hear!: North (Leeds) Lifelines; North East (Newcastle) Heroes; North West (Manchester) A Grand Sine: South (Southampon) Hey Look . . . That's Me! South West (Plymouth) Brainwave: West (Bristol) Break-

BBC 2

10.05 am Are You Happy in Your Work? 11.00 Play School.

11.25 Write Away.
11.40 It's A Great Lite.
2.30 pm Dilemmas.
3.00 Illusions of Reality. 3.30 The Living City. †5.40 Harold Lloyd. 6.10 The Waltons. 6.55 The World About Us.

7.45 News. 7.55 "Keystone Hotel" (comedy 8.10 Company and Co.
9.00 Movie Showcase: "The Stepford Wives" starring Katharine Ross.

11.05 International Cricket.
11.35 The Old Grey Whistle
Test

18.58 Tate News

LONDON 9.30 am Schools Programmes. 12.00 Simon in the Land of Chalk

RADIO 1

RADIO 1
(s) Stereophonic broadcast

1 Medium wave
5.00 am As Radio 2. 8.00 Dave Lee
Travis. 9.00 Simon Bates. 11.31 Paul
Burnett. 2.00 pm Andy Peebles. 4.31
Kid Jensan. 7.00 Personsi Call. 8.00
Mike Read. 9.50 Newsbeat. 10.00 John
Peel (s). 12.00-5.00 am As Radio 2.

RADIO 2
5.00 am News Summary. 5.03 Cricket
news from Sydney. 5.04 Steve Jones.
(s) Including 6.03, 7.03 Cricket and
9.15 Pause for Thought. 7.32 Terry
Wogan (s) Including 8.03, 9.03, 10.03
Cricket. 8.27 Racing Bulletin and 8.45
Pause for Thought. 10.04 Jimmy Young
(s) including 11.03, 12.03 Cricket. 12.08
pm David Hemilton (s). 2.03 -Ed
Stewart's Request Show (s). 4.03
Much More Music (S). 5.00 News.
5.05 Waggeners' Walk. 5.20 Much
More Music (s) (continued). 6.03 John
Dunn (s). 8.02-9.30 Seccer Special
(UHF only). 8.02 Wiv a little bit o'luck
(S). 9.02 Glamorous Nights (c).
9.55 Sports Deek. 10.82 Variety Club.
11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00
em You and the Night and the Music
(s).

News. 1.05 Six Continents. 1.20 Concert, part 2 (s). 2.05 Schumann chember music (s). 2.40 In the Shadows of the Great (s). Telk by H. C. Robbins Landon. 3.25 Symphonies from Eastern Europe (s). 4.25 Jazz Today (s). 4.56 News. 5.00 Mainly For Pleasure (s). 7.00 Roussel (a). 7.30 Play Festival: "Artist Descanding a Staircase." by Tom Stoppard (s). 8.45 Salzburg Mozart-Matinea (a) including 9.20-9.30 Interval Resding. 10.15 Dirty Friends (atory by Morris Luris). 10.35 Shostakovich and Beethoven, cello and plano recital (a). 11.25 Jazz in Britain (a). 11.55-12.00 am News.

Pause for Thought. 10.04 Jimmy Young (s) including 11.03, 12.03 Cricket. 12.04
Stewart's Request Show (s). 4.03
Much More Music (S). 5.00 News. 5.05 Shipping torecast. 5.05 Waggoners' Walk. 5.20 Much More Music (s) (continued). 6.03 John Dunn (s). 8.02 Soccer Special (UHF only). 8.02 Wiv a little bit o'luck (S). 9.02 Glemorous Nights (c). 9.55 Sports Desk. 10.82 Variety Club. 11.02 Brian Metthew with Round Midninght, including 12.00 News. 2.02-5.00 em You and the Night and the Music (s). Reports. 11.05 In Britain New. 10.05 In Britain News. 10.05 In RADIO 4

BBC Radio London 5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London Naws Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 The Extra Ordinery Level Show. 8.45 Question Time Irom the House of Commons. 9.46-5.00 am Join Radio 2.

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students 8:0APs (Wed. Mac. all Sens
\$2.50.0APs & Students). TRANSFERS
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Sen. 8.00. Fr., and Set. 5.30 and 8.30.

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GARRICK. CC. 01-836 4801. Evs. 8.00.

(Sharp). Fri. and Set. 5.30 and 8.30.

Gereth Hont in DEATHTRAP.

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Sen. 1st Night
Tomor at 7.00. Subs. Evgs 8.0. Set. 5.0

Sen. 1st Night
Tomor at 7.00. Subs. Evgs 8.0. Set. 5.0

Sen. 1st Night
Tomor at 7.00. Subs. Evgs 8.0. Set. 5.0

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by Clifford Wiffams.

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OLIVIER footen stage): Tont & Tentor.
7.30 RICHARD III by Stakespeare (Undiscovered Country trust end Jan 31, extra seri, jan 26.
LYTTELTON (proscepum stage): Tont.
7.45 WHEN WE ARE MARKIED by J. S. PRIESILLY, Tomor. 7.45 Death of a Salesmen. PRIESTLYY. Tomor. ?45 Death of a Salesman. COTTESLOE (small auditorium—all kits. \$2.50, Student Standby £1.201: Eugene C'Neril Season: Tomt. & Tomor. & Hugelië (with Stacy Keath), Extellent Cheap seats from 10 am day of peri. all 3 theatres. Car park. Restaurant 928 2933. Credit card bigs. 258 3052.

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### Festival Hall

## Haitink

by -MAX LOPPERT

evening London Philharmonic itself as both honest and point-concert was for a period of 12 ful. (For the absence of the years only recently completed, the orchestra's musical director, consolidating during that time a position as one of the most justly admired musicians before the public. The conductor of soft; this was a performance to Sunday's Mozart and Beethoven Sunday's Mozart and Beethoven as well as affection. The Lon-symphonies and of the Poulenc don Philharmonic Choir has Gloria was the same Bernard not—how could it have?— a French forwardness of tone, the old breadth and depth of particularly in the tenor secmusical concerns, the old muscular orchestral control, seemed to

More important, though the matters are closely linked, one sensed in the music-making a new release, a character of outward exuberance matching inward strength. Because in playing of uninhibited brilliance there was not the least suspicion of vulgar show, this Baffner Symphony made for once a properly ceremonial effect. So properly ceremonial effect. So conducting. Haitink's often the attention is perhaps hoven performances unwittingly drawn to the quantity of the 18th century one witnessed with delight an astonishingly grand structure being built out of it.

choral work was through unforgettable yet purely stravinsky, and, in the cut and musical (and musicianly) frenzy thrust of the rhythms, the sharp to the final pages.

The conductor of the Sunday clarification of colours, it proved necessary reverberance in the acoustics, it was in any case probably the only method of compensation.) Treated with an lenc's devotional music can go justify respect and admiration particularly in the tenor sec-tion, needed to complement instrumental timbres. be combined with a quite new With Felicity Lott (a late freedom, even flamboyance, of replacement, but a superb one, platform manner. for two previously announced sopranos) lifting a silver solo sopranos) lifting a silver solo line aloft, the vocal side of the performance was quite as radiant as the instrumental. In Beethoven's Seventh Sym-

phony after the interval, the weight fell most fully on the Finale; on that end the whole performance was bent, in a manner to explain what is understood by truly symphonic conducting. Haitink's Beetalways contained that kernel of small-talk in the material; here, sme witnessed with delight an this occasion, was the sheer elation of the sound-trumpets eing built out of it.

The approach to Poulenc's late

and horns in searing but never strident full cry, the heat of high summer on the strings, an

Wigmore Hall

## Eugenia Krasnoselsky

by DOMINIC GILL

a Sunday afternoon turned out absence of any evidence of close to hear the Wigmore debut of focus or careful thought behind the Russian pianist-and Neuhans it; and it could be useful too, pupil Eugenia Krasnoselsky— and just as important, to recogdrawn perhaps by an impres nise at some future date that sive (though undated) list of there is much more to exprestestimonials and reviews quoted sive rubate than just dragging in her brochure, including one the tempo of the music almost from another distinguished past to a halt every now and then. teacher, Michelangeli?

could be worse advised than to forte rather than for any rela-tive of the harpsichord, and sprinkled liberally with fades al niente, but with a certain fragile warmth whole and consistent to itself.

The rest was very much less ful. It was not so much the slips of memory, or the quantity of untidy splashes in the playing, which fundament-ally marred her account of Beethoven's op. 2 no. 2—any pianist could have made them and brought the work off in spite of it. Nor was it her unstrange things that went on in was the lack of any sense of line, or direction, or centre in vain.

An unusually large crowd for the performance, and a notable

Miss Krasnoselsky apparently This was not strictly speaking, has very small hands: for in the however. Miss Krasnoselsky's first three of Debussy's Images debut at the Wigmore. She has she arpeggiated any and every played there before, under chord above an octave wide, as as Yevgenia well as many that are not—an Keren: and by all accounts she extraordinary liberty, and an overpoweringly vulgar and unchange it again before she plays Debussyan effect. All three there next. The best part of her performances, in any case, were programme that I heard was the in other respects exceedingly Bach Prelude and Fugue (in G approximate, shot through (and sharp minor) which began it: a all but shot to pieces) with tolerably thoughtful and reticent wrong dynamics and pedallings, performance, decidedly conwrong phrasings and wrong She devoted her second half

to Chopin and Liszt. I stayed for her "West Wind" Etudewhose effect would have been clearer, if no doubt still less sustaining pedal once or twice more during the course of the piece; and for the first movement of Chopin's B flat minor sonata. delivered with all the intensity of, and about the same impact as, In a Monastery Garden. Whatever she does in the future under whatever nerving tendency to play 32nd-name. Miss Krasnoselsky should notes (demisemiquavers) as if at least suromon all her selfthey were 64ths, or the very critical respect and remember that, although no mortal name the staccato bass line of the is sacred, the names of Neuhaus Largo. Much more important and Michelangeli are not yet was the Tack of any sense of common enough to be taken in

### Dr. Roy Strong wins Shakespeare Prize for 1980

Museum and distinguished art historian, has been awarded the Shakespeare Prize for 1980. The award, one of the most valuable of DM 25,000 (approximately of international cultural prizes, 66,400) and a scholarship of was announced by the Anglo DM 7,200 (approximately German jury of the FVS £1,850) for one year's study at

Foundation of Hamburg. annually by the Foundation to

Dr. Roy Strong, the Director outstanding achievement in the of the Victoria and Albert Arts, particularly in relation to the U.K. contribution to the European cultural heritage. In addition to the honour of the prize, here is a cash award (approximately a university in the German and for most of the first set it Federal Republic. The prize was music to eat pizzas by. Then winner has the right to select some irresistible vocals grabbed



## Moholy-Nagy: All-Rounder

Just as it is always worth

The particular preservative and as the commissions rolled remembering that the great or elixir would seem to be a in, the more he found himself artist is not necessarily the compound made up in equal working for compound. great innovator or trail-blazer, so we must accept that what might often prove to be the valuable contribution by the committed avantgarde is not a work of art exactly, but rather an influence and example, a peculiar vision and a way of response. The history of the Modern Movement is in large part the history of true but minor artists of real importance and some achievement; and of those active in the period between the wars, the Hungarian artist. Laszlo And though it is bard to

point to any single item in his extensive and extremely various oeuvre as an undoubted masterpiece, or to identify particular qualities of painterliness or And there is, on the other draughtsmanship, or some such graphic facility, his work he begins to put things together, remains nevertheless as likely to manipulate and re-arrange and potent as ever it was, most especially so when seen as a whole. The demonstration is spective exhibition that the Arts
Council has put together (until
February 10, and then on to
Indeed he revealed himself

Pizza Express, Dean Street, W.1

Kansas City blues pianist

and singer Jay McShann and

Brooklyn-born tenor-saxophonist

Al Cohn are providing most of the jazz throughout January at

Pizza Express, though not to-gether. In between gigs in

Dean Street both are playing

around England and Scotland. Last weekend, however, they

were at home base on successive

nights, which presented a con-

venient opportunity to savour

within 24 hours two totally different artists, both among the

very best in their particular

Jay McShann's place in jazz

period that alto-saxist Charlie obtrusive way. Parker first came to prominence.

That aside, McShann is a Next evening the jazz was of redoubtable blues and boogie- a different colour, the sustained woogie pianist. On Friday it quality of which was signalled

the attention of the clientele Cohn's backing trio warmed up

history is guaranteed because it was in his band in the 1939-42

took him some time to collar

parts of Moholy-Nagy's two more true to himself he seemed obvious, somewhat generalised to become. And what is remarkpersonality: the one cerebral, and original, but how unpreci-the other practical. Both of ous and self-effacing it is. A current still. His conspicuously intelligent engagement with questions of what Art is, and with constructivist abstractions, thoughtful piece of work that his association first with De any latterday conceptualist Stijl and then with the Bauhaus, would be proud to show. And his contact with Dada, and his the same can be said of his sympathetic curiosity across the posters for London Transport Moholy-Nagy stands out as one sympathetic curiosity across the of the most consistently inven- whole spectrum of modernism: tive, stimulating and engaging. and politically he was excited by the apparent opportunities brought by the Revolution, which seemed then to offer the artist a central rôle in that brave new world.

material, his work comes alive. Put a tool in his hand, and he would be sure to do something clearly and concisely made at imaginative and creative, a the LC.A. in the small retro- natural experimenter unres- ial to him, and to his life's remember him by are the

—his voice is not deep or powerful but it oozes the blues — was

When he got hold of a bluesy number such as "T'aint no-body's business if I do" he got

body's business if I do" he got stuck in with huge, gleeful relish. Sometimes, especially in standards, he fell into a stereotyped groove with an almost mandatory bass solo from Lennie Bush (albeit always highly listenable) following his own opening choruses. But this was a small irritation. Apart

was a small irritation. Apart from Britisher Bush, fellow Kansas City musician, Paul

Gunther supported McShann on

drums in the most tasteful, un-

right from the start when Al

a snowballing hit.

virtues, amounting in fact to able now in all his commissioned two sides of his creative work is not how good, how fresh them reflect preoccupations map of the world modified for the benefit of Imperial Airways, for example, although admirably effective superficially, is in might be, is clear throughout. fact something rather more than We see it in his early concern that, a deceptively wry and would be proud to show. And that explain the mysteries of the escalator and the sliding door, of his window displays for Simpson's, and his work as an exhibition designer generally. His graphic design set its mark on the general style for a genmatched, and as rarely acknowledged. The Parker 51 pen, which he designed in 1941,

Leicester, Edinburgh and New- as a designer of genius, inter- grapher, almost inevitably it from them. castle).

mediate, inter-disciplinary man: seems, and incidentally. He

his light, melodic style, re-

dolent of Lester Young, breezed

along effortlessly, so smoothly, so coolly. Then came an im-pact-making waltz version of the

usually sad-tempoed "Mood Indigo," which was far from a gimmick interpretation. From

then to the end of the final set

everything got better and bet-

ter. It was one of those rare,

magical evenings when four musicians, not regular asso-

ciates, inexplicably inspired

each other to lofty heights; a session in which the jazz jig-

saw fitted together: no loose

ends, no straggly playing, no upstaging. Just four fine jazz

men happily hitting top form

At one point it did seem that

Cohn was going to emulate Jay

McSbann and not vary the solo

sequence of the tunes but as the

sets developed he added variety with such devices as stop-time

thirties, leaving Germany at the time of Hitler's rise to power, and in those few years provided the photographic illustrations to a number of books, dealing in particular with places and circumstances rich in social atmosphere and association. The Streetmarketers of London, by Mary Benedetta, An Oxford University Chest, by John Betjeman, and Eton Portrait, by Bernard Ferguson, are notable examples, each one confirming his singular and unprejudiced vision, besides opening out the genre for other, perhaps lesser photographers to exploit. Moholy-Nagy died in 1946,

aged only 51, and who knows what he might have gone on to achieve. He stood for the community of the arts, for the vital connections that should always made between artist, on the general style for a generation, setting standards of economy, wit and elegance, that were all too rarely capability to affect the physical rarely look of our urban, commercial, technological culture. He might is somehow a fitting and charac- and be one of the great men of teristically anonymous memor- our time: but all we have to promises a few small things and work. scraps of paper. We should He was also a great photo- honour him for those, and learn

sinuous twists, was, as earlier

indicated, strongly supported

by his rhythm section. Not for

the first time at Pizza Express

pianist Roger Kellaway com-

pelled unwavering attention.

His highly individual picking of

chords at once suggests he is

trying to evolve a new piano

to show he has a lot of mean ragtime in his soul.

Bassist Peter Ind, always

energetic and deeply involved,

contributed solos of rounded

structure and tonal beauty,

though handicapped in the first

set by poor amplification. Drummer Kenny Clare's accents

and nuances, his goading and

constant enthusiasm, were the

final seal of excellence on this

memorable evening of jazz

Both Jay McShann and

Cohn return to Pizza Express

for several dates before January

Tower, Canonbury, N.1

## The King's Clown

Mollère to depict the instra-tions and tenacity of the man very much a company by the who diverted and satirised the Court of Louis XIV. Scenes from Tartuffe, The Miser, The Bourgeois Gentleman and The Imaginary Invalid are interlaced ing with the Mollère extracts. with Mr. Vando's narrative of The seams do not show and this the tragi-comic and farcical aspects of Molière's life.

It is a neat contrivance—and some of it seems very contrived.
When, after the playwright's
death, his collaborator La
Grange (David Kitchenham) has the idea that the company will describe Molière's life, there is a triteness that would beg a cue for a song in a second-rate musical. At the conclusion of plays-within-a-play, relishing describe Molière's life, there is musical. At the conclusion Molière lies delirious and is

vading sickness and his deter-also impressed mination, at any cost, to keep

American writer David Vando his company going—a point not courageously seeks to combine lost on the enthusiastic Tavihis abilities with those of stock Repertory members who Molière to depict the frustragrew in confidence to become

episodes that is not out of keeping with the Molère extracts.

The seams do not show and this is no mean feat. The second half, prone to moralising, is less telling and Mr. Vando and should get far more impact into the denouement of the sub-plot concerning the identity of Armande, Molière's estranged wife, nicely-juuged by Valerie

Molière lies delirious and is the Molière aided by Mr. visited by figures from his past. spot lit behind a gauze. How many times are we to be haunted by this device?

The play, receiving its British remities is tidily constructed. première, is tidily constructed, as Molière, was a genuinely albeit self-consciously so, and funny miser. Jill Batty, perusefully charts Molière's perhaps a ton-youthful Madeleine,

tinued its second season at the ICA on Sunday evening with a obsessive play of textures and programme devoted to John motives. Piano ostinatos are Cage. The thrust of these concerts has always been towards the "experimental" school, and such a tribute to its natural progenitor was inevitable and timely. Lip service is paid to Cage's music too often in this country. Only by regular performances by ensembles experienced in realising the indeterminate scores will we be able to evaluate and assess the intrinsic quality of his music-its significance for the recent avant garde is unquestionable. The depth of Cage's neglect was emphasised

by the inclusion of Sixteen

Dances of 1951 in the ICA even-

ing; this was its first perform-

ance in London. Scrupulously performed as it was by Music Projects/London, directed by Richard Bernas, it proved one of the more fascinating of Cage's middle-period works. Contemporary with Music of Changes and following the String Quartet, Sixteen Dances is fully notated and scored, derived from the choreographed by Merce Cunningham. Fragments of melody and harmony are superimposed and refracted using procedures "magic squares"; the result is given to an ensemble of piano, violin, cello, flute,

"MuslCA," the series of trumpet, and four percussion. It contemporary music concerts lasts nearly an hour and could devised by Adrian Jack. con- be 20 minutes shorter, but there is something fascinating in its punctuated and broken up by jagged chords, the elements are reformed and redistributed. motives pass between the instru-

Cage would doubtless now regard the result as merely the mechanical process, but he can not disclaim all responsibility for the moments of genuing beauty and interest. In Atlas Eclipticalis of 1956-57, however, the result is much more variable and the focus more firmly directed towards the sounds themselves. Pitches were obtained by projections from maps of the stars and distributed among the parts (a maximum of 86) by recourse to the I Ching. Music Projects per-formed Atlas together with the later Winter Music for piano. as the composer suggests.

It's difficult for conventionally trained musicians to obtain the completely free association of pitches that Cage requires in Atlas: a percussionist cannot resist ending a sequence of drum strokes with a reverberating cymbal, a wind player inevitably gives some shape and

ANDREW CLEMENTS

Elizabeth Hall

## Mainly Beethoven

yes, but with the delectable sist or drummer. Cohn's own playing, a delight of fluency and logicality though peppered with addition of three of Haydn's English "canzonets," sung by Sheila Armstrong as winningly as the ones she offered last summer at the Wigmore Hall. Again her tone was silvery, fresh and vivacious, the rhythms taut and springing, with a hint of a chuckle somewhere in the voice. In Martin Isepp's hands the accompaniments were correctly bright and forward, each a pleasure in itself. More, please! Haydn composed a dozen of these; Miss Armstrong really ought to record the lot.

For five of Beethoven's Celtic folksong arrangements, the accompaniments were taken over by the Parikian-Fleming Roberts Trio, and Miss Arm strong was joined by John Shirley-Quirk. Beethoven took some trouble over the work, and the Trio rollicked in their music; the singers were unanimous in feeling, though it must be said that their voices did not make a natural blend - in duet with Miss Armstrong's open sound, Shirley-Quirk's bass-

"Mainly Beethoven" again, baritone seemed constricted Earlier, in the cycle An die ferne Gelieble, his sensitive intentions had been somewhat compromised by similar suggestions of heaviness and effort. If occasionally lachrymose, Beethoven's settings have a joyous gleam that was chiefly to be heard in Isepp's crisp playing.

FT I

DAVID MURRAY



### and for most of the first set it with a weaving, probing sets developed he added variety was music to eat pizzas by. Then examination of the usually trite with such devices as stop-time some irresistible vocals grabbed "My Secret Love." Maybe in choruses and organising unison 31. Ring 437 9595 for details. with I KEVIN HENRIQUES sound, the ears and from then on his spired by this Cohn himself passages just with planist, bas-A new investment that guarantees your interest for the rest of 1980.

Jay McShann/Al Cohn

rolling, humour-filled plano launched into a no-nonsense playing and understated singing workout on "Zoot Suit" where

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## Egypt, Israel and the West

meeting in Aswan, President

thwart Russian expansionism. For the time being, at least, the flict. Clearly, however, it will of the Egyptian-Israeli peace treaty any easier and even less pave the way towards a comprehensive Middle East peace

### Autonomy Israel was quick to make use

of the super-power confrontation over Afghanistan as an opportunity to demonstrate itself as a bastion of the West, to obtain more military aid, and to forge closer links with the U.S., not least by making available military facilities. Its hope also was that the gentle-arguably feeble-pressures from Washington for concessions in the direction of a more meaningful form of autonomy for the inhabitants of the occupied territories might be eased.

However in spite of the bonhomie and good personal relations demonstrated by Mr. Sadat and Mr. Begin, Egypt has made clear its determination not to compromise further onthe issue of Palestinian selfdetermination. Having refused military aid. the U.S. has not only opted for Egypt's facilities and carried out joint air force exercises. It has also asserted with greater conviction than before its view that the establishment of a form of autonomy satisfactory to the inhabitants Afghanistan. of the West Bank and Gaza

Aswan towards resolving the deadlock between Egypt and the that autonomy should apply to West is likely to give unreserved people and not to the territories support to their assertion of concerned and that it should be effective Israeli sovereignty over administrative in nature and the occupied territories.

recent summit not legislative or juridica Israel has also rejected any Anwar Sadat of Egypt and Mr. linkage between the negotia-Menahem Begin, the Israeli tions on Palestinian autonomy Prime Minister, spent most of and the implementation of the their time discussing the least peace treaty. Not only Mr. controversial question on their Begin but also the Labour agenda. They had no difficulty Opposition in Israel say and in condemning the Soviet apparently believe that the creain tion of a Palestinian state of Afghanistan. Both wished to any kind can only lead to the gain what dividends they could establishment of a Soviet prefrom identifying themselves sence in the heart of the Middle with the Western cause and East, jeopardising the very offering their services to help existence of Israel and Western interests.

Egypt has maintained that Afghan affair has over- the negotiations must lead to shadowed the Arab-Israeli con- independence and that peace independence and that peace with Israel is organically linked to the Palestinian issue. With such a basic difference and with Israel firmly in possession of the territory in question, Egypt can only bargain over the " normalisation " of relations with Egypt. "Normalisation" is an integral part of the treaty and is supposed to be brought about when ambas-

### More flexible

In the best of worlds the process must be a gradual one. Whatever Mr. Sadat's assurances to Mr. Begin, Egypt evidently intends to slow it down. Such tactics are the only means of bargaining at its disposal-apart from American pressure and persuasion—to try to bring about a more flexible Israeli attitude to the future of the occupied territories.

In the last resort Egypt belongs to the Arab world and values its membership of it more than relations with Israel. It has no choice but to reject the unchanged Israeli concept of to comply with Israel's request autonomy. Objectively, mean-for a substantial increase in while, no form of self-government that does not satisfy the people of the occupied terri-tories can be worth establishing. Unsolved, the Palestinian problem will remain a source of instability that has in no way been removed by the crisis over Certainly search for a formula that fulfils Strip is more imperative than Arab aspirations and recognises Israel's concern for her own No progress was made at security remains a daunting task especially as long as Israel on the form of self- Organisation refuses to recogdetermination to be granted to nise the Jewish State's right to more than 1m Arabs who have exist Meanwhile, however, now lived under military occu- Mr. Begin and his colleagues pation for more than 12 years. must be deluding themselves if Israel has continued to insist they really believe that the

## Fiscal policy in recession

yesterday the Financial Secretary to the Treasury, Mr. Nigel Lawson, restated and clarified the Government's fiscal objectives and the reasoning behind them. It is no news, of course, that the Government is committed to a long-term downward trend in public sector borrowing; but some of the Government's critics, including a minority of its supporters and official advisers, have been urging recently that it would be right to relax the pursuit of this objective when a recession is threatening. Mr. Lawson showed both that Ministers understand these arguments, and why they reject them.

### Confusion

There are in fact two lines of argument involved, which have become hopelessly confused. The first rests on a continuing belief in demand management—the idea that the Budget can and should try to offset likely movements in economic growth, adding to demand in a recession and cutting it back in a boom. Those who hold this view have recently adopted a new brief: a Bank of England research paper which shows that in "real" terms the borrowing requirement has been low or negative in recent years, once account is taken of the real capital losses incurred by holders of the National Debt.

Mr. Lawson made it clear that, in the Government's view, this whole line of argument is mistaken. If the Government has a firm commitment on contain-ing monetary growth, as it has, argued that the fiscal balance cannot influence total A high borrowing requirement simply raises interest rates, an dfavours consumption-including public consumption-at the expense of investment.

### Inflation

It is the rate of inflation rather than the level of Government borrowing which controls argued. and as we also makes monetary policy less conrequired simply to maintain activity for more useful pur- less available way.

poses. It is perhaps worth adding that a fall in inflation also increases the "real" value of the borrowing requirement as measured in the Bank England paper. Inflation accounting seems to support the Government's analysis, not that

of its critics. However, a second debate has been going on for some months in response to a speech by the Chancellor of the Exchequer, which was open to the interpretation that the Government would have to cut spending even more sharply because of the prospect of an economic downturn, which would reduce revenue.

This inspired a number of critics, notably including the Government's new economic adviser, Professor Terry Burns, to point out that such a rule would actually risk a downward spiral, in which Government spending would be further cut in response to every cut in spending;

Yesterday Mr. Lawson made it clear that the Government does recognise the implications of recession; it might raise the borrowing requirement above the falling long-term trend which the Government is trying to achieve, leading to little change in recession years, with reductions when reviving activity and revenue made this possible.

### Constuctive

We find ourselves in entire agreement with this basic philosophy—though an analysis of this kind is by no means a complete economic policy. We shop with 18 m would stress first that not all other benefits. ways of reducing public sector horrowing are equally helpful; cuts in expenditure, and especicuts in expenditure, and especially of course in wasteful expenditure. Trake a far more concess of sub-post offices is concess. structive contribution than the imposition of higher prices and charges. The Government's methods of financing its own embracing welfare state." For borrowing may also affect the burden, especially in the long a deliberate policy of shutting term; debt service, after all, is the growth of total demand, as now the largest item in public spending. But it is to be hoped believe. A fall in inflation that this clear and logical statement may help consolidate the stricting, and directly releases recovery in confidence which corporate finance otherwise promises to reduce the debt service burden in the most pain-

NORTH SEA OIL

## Revolutionary concepts open up new vistas

ing platform rides out the waves while it drains one of Britain's medium-sized offshore fields. And at the end of that time the whole unit is then towed to another field to be put into operation all over again.

Or-an even more revolutionary idea—a specially converted oil tanker steams to a seemingly insignificant marker buoy far out in the North Sea or, perhaps, the Atlantic. There a proboscis-type tube is lowered and oil is "sucked" into the vessel's storage tanks. The tanker is operated on a shuttle service between the field and an oil port until either the field is depleted or enough information about the reservoir has been obtained for a permanent pro-duction system to be used. The vessel is then sent off to exploit

frontiers of offshore technology. Outer biggest tanker, or lofty steel by piles up to 420 feet long. for 12 months. The rising cost of these massive obvious limitation of water depth, restricts the use of fixed depths generally no greater than 800 to 1.000 feet.

Now that the UK is close to energy self-sufficiency and with North Sea oil prices around \$30 a barrel — almost double the level this time last year - the industry is in the mood to apply new technology in a bid to reservoirs previously beyond its reach

A breakthrough came last

where it is connected to a to develop the Hutton Field. cluster of already-drilled wells. The group, which also includes and for 15 to 20 years the float- the British National Oil Corporation, British Gas. Amoco. Gulf, Mobil and Texas Eastern, are to spend £600m on the project.

The cost is little different from the money the group would have to spend on a conventional steel platform. What is more, the depth of water above Hutton is only 485 ft, well within the range of fixed platforms. However, Conoco argues that it is wise to try out the TLP system at a depth where divers can be used.

Mr. Dennis Gregg. Conoco North Sea's vice-president in charge of the project, explained: This gives us diver back-up in case it is needed for installation and operation. The TLP system is designed

to operate at depths up to 2,000 feet. Therefore it opens up for development a large new A few years ago these Shelf, mainly to the north and systems lay well beyond the west of the Shetland Islands and Hebrides. In the main, companies had hundred million tonnes of little alternative but to produce prospective additional reserves oil through permanently-fixed (not yet discovered) have prob-structures: giant concrete structures ably been put in the reach of tures, heavier even than the oil operators. Each 100m tonnes would be sufficient to keep the platforms, pinned to the seabed UK fully self-sufficient in oil

The Tension Leg Platform is edifices, combined with the a floating structure, anchored to the seabed by vertical mooring lines. In the case of the Hutton platforms to those fields which Field these lines will be hollow are fairly big and lie in water tubes of steel, nine inches in diameter with 3-inch thick walls. When the platform has been towed into position the mooring lines will be attached to locking devices pinned to the seabed

> One of the great advantages of the TLP is that the structure can be easily unbooked and towed away once the field is depleted. Once refurbished, the platform can be used again in

VISUALISE an oil produc-tion platform, fully North Sea partners announced British Petroleum. Indeed if produced in the normal way, assembled, being towed that they would use the world's successful, it will make offshore with reservoir pressure helping to the middle of the North Sea first tension leg platform (TLP) oil operators resistent now being developed by the wellhead. Oil would be british Petroleum. Indeed if produced in the normal way, successful, it will make offshore with reservoir pressure helping oil operators resistent now being developed by the wellhead. Oil would be

Marginal fields are large accumulations of oil which can-not quite be exploited economically, given existing tax rates, oil prices and so forth. Until quite recently it was reckoned that fields would have to contain at least 100m barrels of recoverable reserves before they justified exploitation. As oil prices have risen and technology has improved, so the threshold reserve figure has been reduced to a point where it is now between 45m and 70m barrels, depending on the field's location and characteristics.

### Built-in tanker facilities

field with just-a few million barrels of recoverable reserves. It would do away with the need for a platform—fixed or other-wise. All the recovery facilities would be carried in a tanker which might spend a month producing oil and four or five days

Production System. It would work like this -special type of seabed wellhead 4,000 to 5,000 b/d. But that structure. Apart from a sonar. transmitter on the seabed and a marker buoy on the surfaceeach needed to help the tanker. captain to locate the well-there. would be no other fixed installa-

production facilities would be built into the tanker. The ship would be equipped with a derrick through which a flexible riser pipe could be raised and lowered. The riser

tion. The remainder of the

coverability of oil reserves, in and into the tanker. The crude particular to redefine the mean- oil would be processed in gas ing of economically marginal and water separators before being stored in normal tankers. The gas separated from the oil could be used to fire the ship's boilers because the vessel would Throughout the recovery opera-

ing director with responsibility for oil and gas technical develop-But BP's proposed new pro- ment, said that although the duction system raises the en-concept was revolutionary it ticing prospect of a commercial would pull together various aspects of proven technology. Oceanbed wells have been installed in a number of North Sea fields. The industry has experience of raising and lower-

The SWOPS idea crystalised

One of the big advantages of SWOPS is that it can be used

ing concessions where SWOPS could be used, including its discovery in the Porcupine Basin off Ireland's west coast. There BP is said to have discovered a reservoir which, at present, too small to be a commercial

test on the very big reservoir of heavy oil which has been identified about 40 miles west of the Shetland Islands. BP, Chevron and Imperial Chemicals Industry discovered this so-far-unnamed field in block 206/8 in August 1977. SWOPS to run an extended pro-Since then nine further wells duction test for several months have been drilled in the vicinity: to see whether the flow rate can next century. There is a grow-three on block 206/8, and six be maintained or whether it ing body of opinion within the

need a good deal of fuel. tion the tanker would be kept on station by means of adjust-able thruster motors.

In bad weather the tanker would have to stop loading and retrieve its riser. Normally oil companies try to avoid such interruptions. They hate seeing costly equipment lying idle. But with SWOPS a stoppage would be less irksome. BP estimates that it would cost no more than £25m to £50m to convert a 50,000-60,000 tons tanker and instal the well system.
Dr. Jack Birks, a BP manag-

ing riser systems.

in BP's minds only a matter of months ago. Development work ferrying the crude to shore.

BP has labelled the idea is continuing. But already the SWOPS—Single Well Offshore group is seeking a suitable site for its application. Ideally, the company would like a field A well, drilled in the normal where the flow of oil through a way, would be fitted with a single well would be at least does not mean that the field has to be tiny.

> for an extended test on a large field which later would have to be exploited through a more conventional system. Drilling rigs are too expensive to be left over a newly discovered field for months on end; testing the quality of the oil and the characteristics of the reservoir. business, for invariably the produced oil has to be burned. An exploration rig has no storage capacity. SWOPS would have facilities for producing, testing. storing and transporting all of the recovered oil.

barrels in place

reckons that

these cracks.

fracture part of the reservoir

ball bearings—which will keep open cracks. In theory the oil

will flow more freely through

If the experiment is success-

ful BP may decide to use

BP has a number of oil-bearproposition. More significant, the system

could be used for an extended in the adjacent blocks 206/7 falters and dies away. If the offshore industry which mainporation), 206/9 (the Mobil Group) and 206/12 and 206/13 full-scale development of the control of the line of t

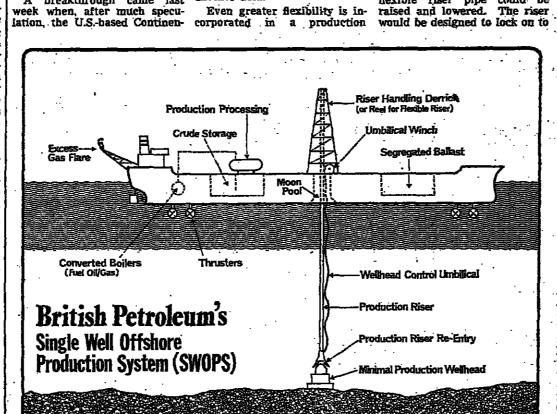
Model of Couoco's tension leg platform for the Hutton Field. cautiously, choose a pilor devis-lopment scheme. One such pilot According to Dr. Birks, the estimated amount of oil in place is between 3.5bn and 4bn barrels, of which about 2.6bn is scheme considered by Petroleum Development in block 206/8. To put those deen, would involve the drilling figures in perspective, BP's prolific and lucrative Forties of up to five wells linked to a floating production platform. The shallow depth and the Field also contains some 4m long, thin shape of the reservoir limit the number of wells which Unlike Forties, the West Shet-

Financial Times Tuesday January 22 1980

can be drilled from one location. land oil does not flow well. The Had the West Shetland oil is heavy by UK standards reservoir been on land the field (its specific gravity is about 25 degrees API); if is thick and sticky. To make matters worse might well have been on stream by now: Wells could have been dotted all over the reservoir. the reservoir rock itself is of Steam could have been pumped poor quality. As a result, BP under normal down to reduce the oil's recovery conditions it would be viscosity, to make the crude possible to recover only 6 per flow more freely.

cent of the oil in place com-pared with a 46 per cent recovery factor in Forties. Such practices are out of the cent question offshore — at least for the time being. Industry must This year BP and its partners find other ways of teasing oil plan an experiment to see if from fields deep in the Earth's they can improve the recovery crust, hundreds of feet below performance. They intend to water. But the industry is man-fracture part of the reservoir aging. Through the application by injecting a fluid under of systems like Conoco's TLP and BP's SWOPS Britain's North Sea pressure. This fluid will conreserves will be stretched. tain a "propping agent"— finely ground solids like tiny Fields once considered to be too small or too remote are now being brought into the reckon-ing. Given careful husbanding

—and the Government is currently grappling with the components of a new depletion policy - there is no reason why Britain's oil resources should not be made to last well into the full-scale development of the self sufficient in oil at least until West Shetland field or, more the year 2000.



## **MEN AND MATTERS**

Last post for the country P.O.

Given the vagaries of the delivery system these days, the Post Office may take a little while to deliver the 635 letters -one for every MP-sent off yesterday by Norman Taylor, general secretary of the National Federation of Sub-Postmasters. This organisation, based in rain-lashed Shorehamby-Sea, is currently exercised by the strong possibility of its members being, at a stroke, reduced from 21,000 to 18,000. . According to the Post Office this would be the consequence of proposals to make child benefit and other payments fort-nightly or at even longer intervals—even possibly to pay them directly into bank and savings accounts. The result would be an immediate loss of income to sub-postmasters of 20 to 25 per centre. From a government point of view, such changes make per fect sense. Every time a child benefit voucher is cashed, for instance, the Depart-ment of Health and Social Security pays a fee of 35p. If this voucher is paid directly into a savings account, the cost Users' National Council and the shrinks to 5p a time.

Users' National Council and the local authorities) foresees is The news for sub-postmasters is not quite as bad as it would

have been a few years ago. The Post Office now compensates those forced into closing up shop with 18 months' salary and But for the wider public the proposed changes could have

cerned with the payment of benefits. In Taylor's words, they are a central part of "the allinstance, the DHSS has pursued smaller offices; both it and the Department of Employment place increasing reliance on post offices, "They are," says Taylor, referring to the powers that be, "are looking at things from a purely monetary point of view without regard for the social consequences. . . . What



is being suggested is so evidently ludicrous 'I can't contemplate them really doing it."

Among the consequences he

(and incidentally the Post Office pensioners and others, used to weekly budgeting, running quickly into debt. More forcefut, perhaps, is the argument that many of the post offices which would close are in the country, leaving many clients with no other choice than to trek to the nearest town.

In case the MPs do not respond to Taylor's cri de coeur. mounting a national lobby of for instance, being subjected to Parliament.

### **Under control**

While Britain's youngsters are not getting any toys through the occupying workers' blockade at the Liverpool Meccano factory, their parents may be happy to learn that equipment essential to their success at school will soon be allowed out.

the National Centre for School is not to be underestimated Technology at Trent Poly- Indeed, an essay question in CS technic, told me gleefully exams last week required yesterday that he had won entrants to "Choose any city in assurances from the sit-in work- the British Isles and describes force that it would release how you would organise it for stocks of kits used in "O" level the Olympic Games." and CSE courses on control technology.

The courses, Shillito explains, enable children to apply the dry facts dinned into them in maths and physics lessons to practical projects in the fields of engineering, electronics and fluidics. "The kids are motivated into actively enjoying the lessons," he says.

These sophisticated building sets, costing about £140 each, have been made on control.

Meccano since control technology was introduced to the idea?" Klein asked in a letter nology was introduced to the idea?" Klein asked in a letter to the paper. With leaden the editor responded and the prospects for further expansion seem bright since 'A" level courses are also

kits will be resumed. But since he still does not know where or when, he is keeping his options and his eyes open, and is ready to consider sources of supply other than the present

### Knowing question

with the fiendish examinations inflicted on would-be high flyers entering the Civil Service. Lasting up to a week, these involve, a mock TV interview—in front of a video camera—by someone impersonating Robin Day in a tough mood. The film is then watched and criticised by all the fledgling flyers.

Another favourite involves entrants writing a description of themselves from the point of view of a friend . . and then of an enemy. Nowadays the acuity of the men and women Geoffrey Shillito, director of guarding the corridors of power

entrants to "Choose any city in the Olympic Games."

### Crushed comrade

Hans Klein, a young East German who boped to walk the 1,000-odd miles from Berlin to Moscow for the Olympics, yesterday made the mistake of publicising his scheme and for his pains saw his spirited ambition comprehensively and publicly crushed by the editor of

with a volley of noes. No room in-Moscow hotels, no tickets, no official facilities for rambling or being planned.

Shillito has extracted from no unofficial trips allowed Airfix, Meccano's parent, a half-promise that manufacture of the Take to be a reference to the vast distances between wayside hostelries rather than Klein's ability to last the trip, he added: "It can be assumed you would not be

able to reach a notel each evening so that you would not be able to be received in a manner beating a guest in Russia."

### Some readers will be familiar Mystery member

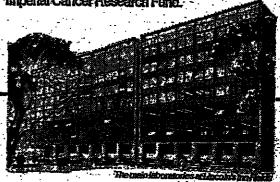
Eager to bring my readers ever deeper insights into the workings of the business and financial world, I asked Stock Exchange chairman, Nicholas Goodison, yesterday what the Exchange hoped to gain from its recent, strangely unpublicised decision to join the Confederation of British Industry. "I find that a difficult question to answer," he confided. I can't join the TUG. can I?' The CBI-even more curiously -professed to be equally non-

Observer

## FIGHT BACK AGAINST CANCER

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## FINANCIAL TIMES SURVEY

Tuesday January 22 1980

# ARAB CONSTRUCTION

Competition is growing fiercer as Arab countries complete the major phases of their development projects. Governments are able to force contractors to take lower profits and developing countries, in particular South Korea, are claiming an increasing share of the business. For this year at least, the market's expansion is likely to continue, but it has almost reached its peak.

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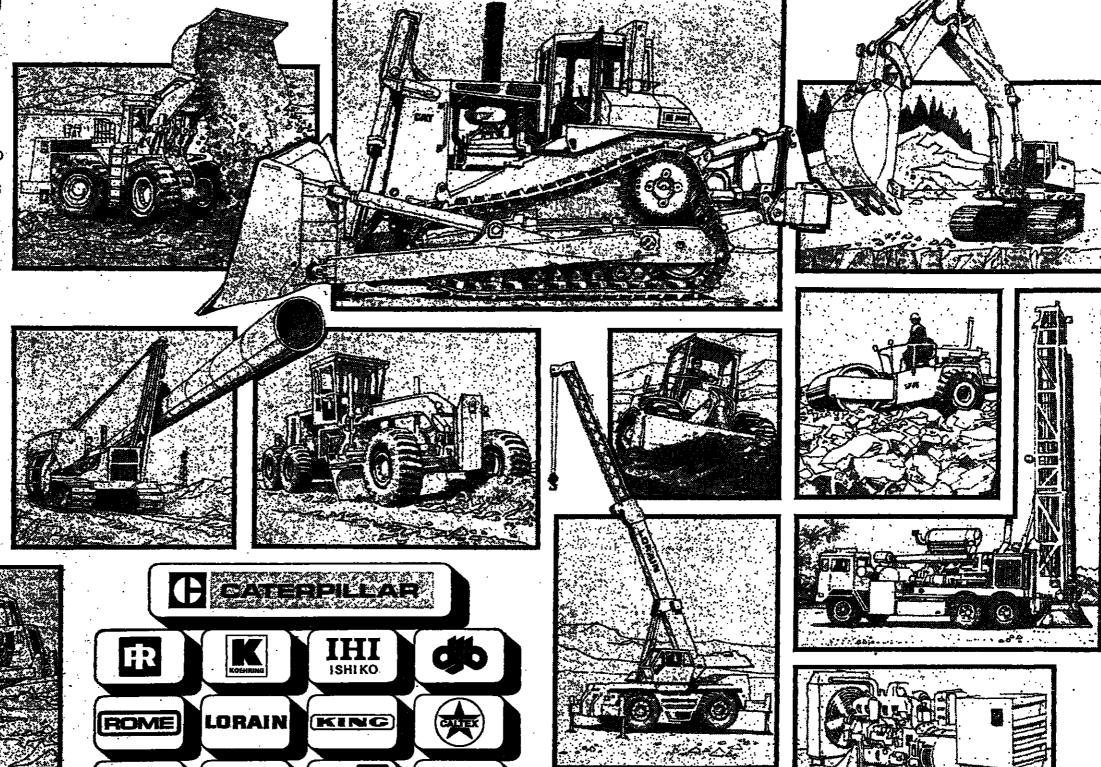
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## Demand peaking but still plenty of work

of recent years has been accepted now for some time. There were inevitable limits to a fail of 37.3 per cent. what the oil-rich countries in particular could absorb. As a result, attention has moved from the installation of first generation infrastructure (in Kuwait, for example, this has been in place for more than a decade; and from over-ambitious development plans.

Selection of industrial projects has become more sophistijects has become more sophisticated, and greater attention is the overall diminution in the being paid to socially benemarket will be larger than that being paid to socially bene-ficial programmes such as nousing, education and hospitals.

But for the moment the market continues to expand. Estimates by Plantecon (Overseas) Research show that the construction market of the 12 main Arab countries in the eastern part of the Arab world was worth \$38.4bn in 1978 and that this was at least a rise of more than half over the previous year. This particular calculation omits Libya and Algeria.

But Libya in any case had re-corded a decline in its construction market in 1978 of 13 per cent and is probably only a moderate prospect for construction growth in the future. The major share of the market was taken by Saudi Arabia with 58.7 per cent, followed by Iraq with 16.2 per cent.

Last year the market as a whole had grown by 5.8 per cent to \$40.6bn with Saudi Arabia still growing at an above average overall pace, and with Iraq significantly expanding at the second fastest rate-13.1 per cent and totalling \$7.1bn. The swiftest expanding market was again of some importance. It was Jordan which, although not of great size when compared with others, grew at 35 per cent during 1979, only slightly below that of its rate the previous

However, Plantecon, following its calculations reproduced in the current edition of Middle East Materials and Equipment, estimates that the size of the Arab market is likely to change significantly over the next few

The Saudi market, and this

expand at the breakneck speed year, a marginal rise over last expand at the breakneck speed But thereafter it will decline of recent years has been But thereafter it will decline until it reaches \$15.1bn in 1985,

Over this period the cost of materials will reach a peak of \$11.6bn in 1980 (accounting for 48.1 per cent of costs), and decline in 1985 to \$6.1bn (or 40.4 per cent), while labour charges will gradually take a larger share of costs, rising from 31.5 per cent (\$7.6bn) this year to equal the percentage total and costs of materials.

experienced in Saudi Arabia, in Kuwait (already down by nearly 10 per cent in 1979), Bahrain. Qatar, the United Arab Emirates (UAE) and Oman. Last year, only Abu Dhabi in the UAE and Oman recorded growth in their construction markets.

At the same time as the decline in these predominantly oil-producing countries of the Arabian Peninsula continues. Plantecon anticipates that Arab countries characterised as being either effectively without oil, or minor exporters, or virtually self-sufficient — i.e. Egypt, Jordan, Sudan and Syria-will grow in terms of their construction markets through to 1985. In these countries the needs are mainly for basic infrastructure.

Exception The notable exception in the eastern Arab world among oil producers is Iraq. Most producers is Iraq. Most observers are agreed that this market will continue to expand. In the western part of the Arab world. Algeria, which is on the point of launching a new fiveyear development plan, will be laying stress on housing and educational projects rather than, as before, on developing industry. In the Maghreb area, (comprising Mauritania, Morocco, Algeria and Tunisia) Algeria is probably the only

struction market. Thus, even if the Saudi market and its share as a whole declines to the level forecast (and these are in real terms based on 1979 prices and exchange rates against the dollar), it will remain large. For even a Saudi market of \$15.1bn

candidate for an expanding con-

hazardous business, and these crease. estimates do not and cannot in Final clude the potential political uncertainties of not just the Arab world, but a region whose links and problems stretch over into Iran, Pakistan, and above all Afghanistan.

For example, as a result of the seizure of the Great Mosque in Mecca in November, and the taking of the U.S. diplomats as hostages in Tehran, the possi-bility was raised that American representation at the current large construction exhibition in Jeddah would be reduced. (It did not, in the end, affect it.) But the fact remains that

there is almost no country in the Arab world which has not drawn the conclusion from the overthrow of the Shah of Iran by the followers of Ayatollah Khomeini that the Pahlevi Was ripe removal. Economic development had proceeded at a reckless pace, disrupting the basic values of ordinary citizens, so that they had nowhere to turn but religion. And religion in this form rapidly became a force beyond the control of any government.

The developments in Iran and Afghanistan have caused apprehension on the Arabian Peninsala (and in fact, by an unexpected irony, Oman — crucially situated to control the Straits been the only State in the area not to have suffered overt unrest), and this in turn must event of political upheavals, risen. occur elsewhere.

It is interesting that in fact the cancellation of these contracts has not resulted directly tion in the Arab world. A high proportion of the contractors in Iran were not already involved, there and so far have not shown signs of wanting to relocate their activities to this region.

In addition, the Soviet invasion of Afghanistan must raise questions about its long-term

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THAT THE Arab construction to the market as a whole, will twice the size of any other Arab strategic reasons and particu- of contracts will be mainly market would not continue to reach a peak of \$24.1bn this market assessed for last year. larly because during this decade within the \$10m and \$100m expand at the breakneck speed year, a marginal rise over last.

Inevitably, forecasting is a its need to import oil will in-

Finally there remains the Arab-Israeli conflict. To some extent the plight of the Palestinians has been overshadowed by events elsewhere and by the fact that Egypt and Israel seem determined to continue to press ahead with their bilateral agreement reached at Camp David and signed in Washington. But there will undoubtedly be a hostile Arab reaction to the exchange of ambassadors between Egypt and Israel, planned for February 26.

Against this political uncertainty must be set the fact that if the size of the construction exhibition in Jeddah is a guide, with more than 600 companies represented, potential contractors still appear to favour investment in the Arab market.

But various characteristics over the next few years are bound to be strengthened. The first and most obvious is that with the market overall shrinking, competition must become stiffer and just as developing countries, with South Korea in the lead, will press their claims through lower prices, so also will the contracting companies of the West seek to offset the recession there by trying to

make money in the Arab world. strengthen the negotiating hand of the host Governments who have already been able to play cause contractors to worry that off bidders against each other the example of Iran, where a in order to talk them into even mass of major contracts has lower prices. Furthermore, the been cancelled, might, in the cost of borrowing money has

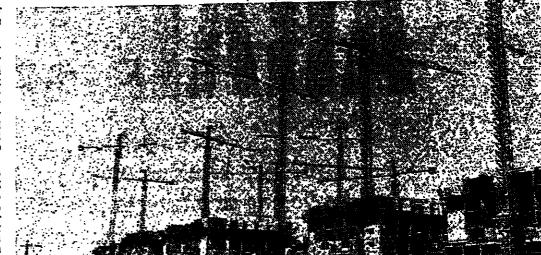
> Third, the nature of industrial projects has changed, with less emphasis on extravagant duplication and more on complementary export orientated ones, based on local hydrocarbon

Fourth, the size of contracts is likely to diminish. Turkish contractors who have made surprising inroads into the Arab market, and who claim to be working currently on contracts worth a total of more than \$2bn, can be taken as a general guide in 1985 would be more than aims in the area, in part for reckon that the next generation

favours those who have already acquired experience there, and above all have the equipment on the ground. For it is increasingly difficult to mobilise new sites. Newcomers, unless they something special and sophisticated to offer, will find the Arab market difficult to penetrate.

Sixth, there is a trend towards local contractors competing more aggressively. For example, Egypt's largest contractors are, for most projects, nearly selfsufficient. Finally, there must be the additional calculation that because the construction market in the Arab worldalthough likely to be lucrative for some years to come has passed its boom period. contractors will begin to look elsewhere, towards the Far East in general and possibly Indonesia

**Anthony McDermott** 



A housing estate in Jeddah. Emphasis is now being placed on housing, schools

### and hospitals 12 MIDDLE EAST CONSTRUCTION MARKETS 1978 & 1979. (1978 PRICES)

			•	dm.)				
S mil. 1979/78	Total '78			1978	Used	···· ·	1979	<b></b>
Market	Construction	Labour	Haterial		<b>Equipment</b>	Ali	Total (1)	change
Maratt.	<u></u>		٠.	New	& Parts	Other Items (2)		1978/79
			·	Equipment	& Service-			
Abu Dhabi	470	160	190	55	16	49	520	10.6
Bahrain	370	126	122	- 45	20	57	350	-5.4
Dubai (3)	1,270	470	· 545	88	24	143	1,050	-17.3
Egypt	2,350	1,110	836	198	83 -	123	2,450	4.7
	6,240	2.250	2,261	597	168	604	7,960	13.1
Iraq				67	18	52	790	35.0
Jordan	585	243	205					-9.5
Kuwait	1,480	533	622	98	25	202	1,340	
Отап	565	182	260	61	17	45	610	8.0
Qatar	480	144	220	59	14	43	440	- 8.3
Saudi Arabia	22,500	7,800	10,100	. 1,388	512	2,700	24,000	6.7
Sudan	485	218	150	66	15	36 .	526	8.5
Syria	1,590	541	762	143	40	104	1.450	-8.8
Total Middle East	38,385	13,777	16,633	2,865	952	4,058	40.596	5.8
			. ,,				and the San	خجم آدائي سائما

(1) including mechanical, electrical and chemical installations, i.e. total turnover of the respective construction industry in it's wide

basically design and profits, but excluding land cost including Northern Emirates

Source: Plantecon (Overseas) Research Ltd., 1980 computations.

## No real secrets left on how to succeed

real secrets to success in the Arab construction market. In recent years the trends have been explored and analysed extensively. If there is an element of surprise it is on the one hand that some companies still have not learned how to cope with this market, and on the other that companies and countries have failed to keep up

The performances of American and South Korean companies are interesting cases in question. The former are, in theory at least, heavily estab-lished and with the political —if sometimes controversial clout of acceptability backed with a high level of technological know-how. The latter are newcomers to the area, from a developing country, ostensibly also from the "capitalist" world, which dominates the Arab construction market as a whole, but in a particularly

The physical conditions of living in a generally difficult environment and conforming to sometimes demanding local traditions have been described often enough although there

are some changes Housing costs, for example, on the Arabian Peninsula have ong been high, although the rate at which they are increas-ing has slowed considerably, and in some cases even fallen. Cairo's inefficient telephone system and legendary traffic jams have indeed altered for the better in the past two years.

In doing business there are those countries, such as Iraq, Syria and Libya, where con-tracts are won only by working through the centralised bureau-cracy and administration. Elsewhere, private enterprise tends to dominate. But in both cases the path to success is found essentially only through contacts, and in the Arab world these have to be-developed and nurtured over a fairly protracted

### Languages

It must be grasped, too, that local regulations vary, although as a general trend it can be accepted that governments, on the whole, desire increasing local involvement in contracts. Companies, in particular from the Anglo-Saxon world, have been peculiarly slow to grasp the importance of languages—Arabic, obviously, if only as a token gesture but also French f the Maghreb market of Morocco, Algeria and Tunisia is to be broached But broadly the fact remains that contractors should by now know the secrets of success in the Middle

It is something of a surprise to learn—from studies confor Japan and Canada, U.S. com-Although South Korea may ducted by International Conpanies are alone in not having be comparatively inexperienced

U.S. Agency for International services. The U.S. and Japan ment has been careful to co-Development published in New Engineering Record—that U.S. companies ranked twelfth in anti-boycott act. Again only more, the South Koreans, un-competition for the construction Japan and the U.S. try to like the U.S. have a clean state market. Over the 13 months enforce a corrupt practices act. as far as political links with up to the end of June, 1979, The U.S. is alone in requiring a they had won contracts worth statement on the environmental \$0.35bn, compared with the leaders, South Korea, with contracts worth \$4.6bn out, of a total of \$19.73bn. (The other whose Government does not countries considered were Italy, West Germany, Japan, France, Brazil, Yugoslavia, Britain,

### Slipped

The U.S. share of the market had thus slipped from 10.3 per cent, when it won contracts worth \$8.9bn out of \$86.3bn between June, 1975, and April, 1978, to a mere 1.8 per cent; while comparing the same two periods. South Korea's share rose from 5.3 per cent to 23.3

India, Taiwan, and the Soviet

Part of this must be attributed to the collapse of the Iranian market, but at the same time the study concentrates heavily on the Saudi market. It is an irony that South Korea should be doing so well because was its contractors who were trained by the U.S. Army Corps of Engineers in the 1950s. With literally military efficiency abroad as manpower is an alternative to conscription—Korean companies are not only dominating the labourintensive market but also moving upwards into more sophisticated areas such as power supply systems, and oil industry installations.

American companies have slipped behind for a number of

First, opportunities have been reduced because plant has to be imported from long distances and because comdistances and because com- covered by the study. South-panies frequently find contract Korea won more contracts than terms too onerous. Second, for political reasons, countries like Libya, Iraq and

Syria are sometimes hesitant to take on American contractors. Third, the gap between the level of technology which U.S.

Government assistance is considerably less.

citizens have their personal income taxed abroad. struction Week, the U.S. Army, VAT rebates on exported in management techniques and Corps of Engineering and the materials, equipment and technical knowledge, its Govern-

are the only countries, in theory at least, to enforce an and specialisation.

impact of some projects. Above all, apart from South Korea, it is the only country. provide bid and performance bonds guarantees and financial backing to match that of other countries.

The same study suggests that, even allowing for this financial disadvantage, U.S. companies have been less successful than they should have been in developing salesmanship, market analysis and a know-ledge of how to conduct business. Indeed, it must be gratifying to some sectors of British business to hear such accusations being levelled

Thus between June 1975 and June 1979, of contracts worth \$108.1bn, the U.S. won 8.6 per cent exactly the same proportion as South Korea. But as has been seen, the South Korean share of the market increased dramatically during the 13 months up to June 1979. During the first period, U.S. companies won 53 contracts, while South Korea won 51, whereas in the latter period the former could manage only seven and the latter 34.

During those 13 months, the Korean contract values of \$4.7bn was marginally ahead of its value during the previous three years. Over the total period, the main beneficiaries were West. Germany with 18.9 per cent of the market, Japan with 15.9 per cent and Italy with 9.5 per cent-ahead of the U.S. and

South Korea. In this most recent period any other country. In part, its success can be attributed to its fulfilling a short term political need: that of providing employment and contracts for companies of the developing world. Saudi Arabia, in particular, is sensitive to the feeling that wesclosed considerably.

Fourth, there seems to have been an arrogant assumption that political power economic.

added advantage in that they have perhaps the only comnaturally followed.

Fifth, U.S. companies have from the second to the first suffered from the fact that compared with Canada, France, West Germany, Italy, Japan, Britain and South Kores overnment assistance is con-the causeway between Saudi iderably less. Arabia and Bahrein, and has Thus, of these countries, the also been removed from the list U.S. is the only one whose of sub-contractors of the U.S. personal Army Corps of Engineers be-Except cause of allegations of bribery.)

the Middle East are concerned. In addition they operate from the basis of a social structure -nor unlike Japan menolithically tied to specific companies. giving them a solidarity not ound easily elsewhere.

A crucial issue is labour. Adthough the percentage of miletary conscripts has declined, the labour force tends to be much better disciplined than others. For the countries of the Arabian Peninsula, where annigrants form a significant part of the population, the fact that South Koreans tend to keep themselves apart and return to their native land after the completion of the contract is an additional advantage.

South Korean companies have been remarkably successful in underbidding competitors, with some help from the Govern-ment in covering foreign exchange losses.

### Links They have concentrated their

Arabia, where its strong links, with the U.S. for defence constracts in Vietnam could well have proved an additional advantage, and Kuwait, Further to their advantage is that the technical performance of Korean companies has been ris ing—for example in Saudi Arabia their contracts include Ghar, the expansion of a naval base and the NGL terminal at Yanbu, Finally, South Korea is having increasing success in selling construction equipment made under licence at home by Halla (i.e. Hamdai International).

On the labour front Korea is extremely methodical Training camps have been set up in ramps dave been set up in Inchon, according to the monthly Middle East Construction, which hope to form out 3,000 workers a year, and paylevels are such that they both likely to remain competitive for some time. Their disciplinations rated as being sterner than Indian and Pakistani labour even if it is rather more

expensive. Other countries involved in the Arab construction marke tend to fall in between these two extremes of the western approach to the Middle East construction market (the American smoy gives Eastern Europe only 5.4 per cent of the market—some \$5.8bn between 1975 and 1979)—capitalism at virtually its most laissez faire and at its most organised. For the moment, the latter seen to be gaining ground, but all parties are aware that the market is contracting and that competition will be harder in

Anthony McDermott

### ARAB CONSTRUCTION III

## Development projects tied to exports

THE LIFE blood of Arabian for oil refined products from the development is in capital and producers. development is in capital and energy-intensive projects: oil refining. Inquefied natural gas, natural gas liquids, petro-chemicals, factilisers, aluminium and steel. Most projects are export-oriented, with the parital exception of steel mills. All have the advantage of making productive use of the region's abundant resources of associated gas (preduced with oil) while vielding a large revenue for the size of the population employed. They are geared to overcome the low absorption feature of the domestic market, while keeping down reliance on foreign labour.

The commitment of hitherto-spendimift government planners to follow more costconscious and profit-oriented which, after Iran, must prey of policies when designing heavy the minds of foreign companies industrial projects, echoed most forcefully, by Saudi Arabia's Qatar, who encourage the joint

concentrating on bringing off the ground different hydro-carbon ventures to avoid the pitfalls that beset complement-ary industries. Saudi Arabia and Qatar are heavily committed in petrochemicals. Kuwait and Abu Dhabi are big in natural gas liquids (NGL).

The economics of industrialisation have never looked better than in the last 12 months of NGL have than in the last 12 months improved considerably. European chemical producers, ehort of regulation and application and application and application and application and the producers of the sale of the producers, ehort of the mission are and the producers, ehort of the mission are and the decongence of the producers of the producers. The producers of the producers. The economics of industrialiviability of petrochemical pro-jects in Arabia. It has changed dramatically the start of langer

at optimum capacity and to fine takers for the products.

To overcome these problem and the extra political risk

industrial projects, echoed most forcefully by Saudi Arabia's Qatar, who encourage the joint-venture approach, are linking crude oil entitlements in exchange for foreign investors' participation. The Qatar ethylene complex will be the first to come on stream in the Gulf in 1981. The French strategy of taking the plunge Specialised

The regional picture which is now emerging is one of specialisation. The Arabian States are concentrating on bringing off the ground different hydroprompted states like Kuwait and the United Arab Emirates to take a more measured approach to their petrochemical projects. The producers most committed to these ventures are now considering Asian countries as an alternative market.

The prospects for the sale of pects bode ill for the producer.
By 1985 when the plants in Sauci Arabia, Catar and the Dhahi become commendation of S9.5m.

### HEAVY EXPORT ORIENTATED INDUSTRIAL PROJECTS IN ARABIA

WITH PRESENT OR PROSPECTIVE FOREIGN PARTNERS AND SHARES WHERE APPLICABLE

	_	-	or Aiready o /Subject to	on Stream Firm Contract	•	C≃Design Engle D≃Early Studies	neering/Advanced I	legotiations		
	Estimate Population	Oli reserves: billion barrels	Oil revenues Sbillion	Petrochemicals	Fertilisers	NGL	LNG	Export Rafineries	Aluminium	Steel
SAUDIII ARABIA	7m	165.7	36.7 (1978)	1-B Mitsubishi + C. Itoh + other 50%/Sandi Arabia Basic Industries Co. (SABIC) 50% 1-C Mitsubishi + other 50%/ SABIC 50% 1-C U.S. Sheli/SABIC 1-C Mobil/SABIC 1-C Dow Chemical Co./SABIC 1-C Eccon/SABIC 1-D Celanese + Texas Eastern/ SABIC (All projects at Jubail except Mobil at Yanbu)	I-A Saudia Arabia Fertilizer Co./ (Safco) I-B †Occidental (Manager) I-C Taiwan Fertiliser Co./ SABIC (TFC 60% output offtake)	I-A ARAMCO (owners) (Ras Tanura) I-B (Jubaii) I-C (Yanbu)	-	I-A ARAMCO (owners) (Ras Tanura) I-C Royal Dutch Shell/Petromin (juhali) I-C Caltex/Petromin (fuhali) I-C Mobil/Petromin (Yanbu) All deals 50-50 share	1-D Southwire/ SABIC (Juhail)	I-B *Korf Sta 20% SABIC 80% (Jubail)
KUWAIT¶	1.2 <sub>m3</sub>	66.2	9.5 (1978)	2-D Petrochemical Industries Co.	I-A KCFC/PIC Kuwait Chemical Fertiliser Co. now part of Petro- chemical Industries Co.	2-A		J-A Kuwait Oil Co. (Mina al Ahmadi I-A Kuwait National Petroleum Co. (Shuaiba) I-D †		
BAHRAIN	0.28m	0.25	0.45 (1978)	I-D Bahrain/Kuwait joint venture				1-A Caltex (owners) (Sitra)	Kaiser & Breton, + SABIC 20%/ I-A Akminium Bahrain (ALBA)	
QATAR	0.2m	4	2.2 (1978)	I-B C & F Chimie 16%/ I-D Qatar General Petroleum 84% (Umm Said)	I-A Qatar Fertiliser/ I-B Norsk Hydro (Umm Said)	2-8 ‡	§			J-A Kobe Sto Qata Go I-D †(Gasco (Umm Sa
abu** Dhabi	0.88m	36	8.7	\$	I-D Abu Dhabi National Oll Co. (ADNOC) 100% (Ruwais)	Shell I5% + Total 15% + I-B Partex 2%/ ADNOC 68% (Ruwais)	British Petroleum 16% + Total 8% + I-A Mitsui 22% + Bridgestone 2%/ ADNOC 51% (Ruwais)	(Ruwais)		
DUBAI**		<b>13</b>	(1978)			I-A Sunningdale 20%/ Dubai Natural Gas Co. (Dugas) 80% (Jebel Ali)			Alcan-Southwire 7.5% + 1-A Nissho Iwai 7.5%/ local 5% + Dubai Aluminha (Dubai) 80% (Jebel Ali)	

The Saudi steel mill is domestically orientated and exports from Qatar will be to other Gulf countries Expansion projects. ‡ One plant being rebuilt after explosion in 1977.

Texpendion projects. 4 One plant being results after exposion in 1777.

The projects of the plant of the periodemicals in Abu Dhabi and LNG in Qatar.

The Kuwaiti policy not to have Western partners.

Saudi Arabia requires at least 20 per cent share from foreign partners; some deals include output off-take commitments by foreign companies.

The producer of LNG and NGL (Das Island) and production of NGL at Ruwais is priority development. In Dubai NGL output will be used by the aluminium smelter as well as exported

the question marks from the market The medium-term pros- Saudi fertilizer (Safco) plants, plated.

new plants will be impreved

uggests that the new generauggests that the new generain of plants will be platinum sible industrial nation is given light industrial sector has tional local consumer resistance nationals and economise on credence by the Saudi Industrial hitherto been in simple and to domestically produced for the foreign labour. All States are bulky products. Contracts have the gross potential in the likely to moderate their future been wen where the operations maintenance repair sector—
expenditure. Postarch

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Civil Engineering · Building · Pipelines · Mechanical and Electrical Construction

## Many British companies hit by spending cuts

THE MIDDLE EAST construc tion market no longer offers UK contractors what for a few brief years appeared to be a guaranteed succession of con-tracts to stretch the imagination and skills of civil engineers and design teams—and to provide, for some at least, a valuable source of profits.

Few contracting operations or architects would subscribe to the view that it was at any stag? a simple task to notch up a multi-million construction job in the Arab world, though most would now accept that if it was ough in the past it is even tongher today.

Quite simply, the first hectic ush to invest in buildings, plant and basic infrastructure on the part of the oil-rich nations of the region is over. In several countries construction expenditure has peaked because of the need to curb wildly escalating national budgets or simply because the smaller States have inevitably reached the point where their size and opulation cannot justify further eavy investment.

But the decline in new build-ing and civil engineering work, which is in any case far less pronounced in some of those nations that were initially slower off the mark, does not imply the end of the Middle East as a major construction market. Its role in this respect is immense and will continue to

Many of the major infrastructractors—or for that matter any of their competitors—to conengineering work is in decline, a huge volume of "second tors is, however, reducing the

### Valuable source

There seems little doubt that the Middle East will continue to been subjected to particularly provide the UK construction sharp reductions in expenditure provide the UK construction industries with a valuable source of work, though there are clear sectors, exposing those groups indications that the best is over which and that some shift within local relied on the area to provide Arab markets will be essential most, if not all, of their Gulf if contractors are to pick up business. The United Arab

Figures produced towards the of Trade and Industry, but covershowed that while the total value of all work carried out by British



The new Qutar headquarters of the British Bank of the Middle East has recently been completed by Bernard Sunley and Sons. The seven-storey building has been constructed with a steel frame clad in concrete. It has external marble wall facings and aluminium sunbreakers. Construction cost £3.6m

obtained fell back, although it still accounted for half of all new contracts. At the same and offer substantial contracting time the value of work done in opportunities, though the preture projects are complete and the Middle East rose to its the opportunities for UK conhighest-ever level, reflecting earlier successes in the contracts race.

size experienced in the past few figures for the current 12 years are rapidly diminishing months will again show a But if much of the major civil decline in new work, while statistics on work in progress during the period will generation" construction involv- reflect the ending over the last ng industry and social amenities 12 months of some major. remains. Increasing experience projects. Many UK contractors on the part of domestic contractors stand to fare badly in the wake of the decline in new work, for opportunity for overseas com- the biggest reduction in conpetitors to pick up this type of struction activity has come in some of the markets which have traditionally been their best

Output in the lower Gulf has effecting both public and private business. The United Arab take S Emirates, Bahrain, Qatar and future. Oman have been worst hit and Taylor Woodrow, one of the end of 1979 by the Department operators in those markets face mounting problems in maining only the year to April last, taining reasonable volumes of has announced the winning of a business.

The natural reaction of many contractors overseas rose to a has been to start the search for record level, the value of new replacement work much further contracts actually won during afield notably in Africa South technology projects account for the same period fell after a America or the Far East, but a growing slice of development seven-year period of uninter-tupted growth. work is still to be won in other activity. In addition, big civil Middle East markets which have contracts within Saudi are now

Markets like Saudi Arabia, Iraq and Kuwait remain strong vious reluctance of UK groups to tackle tougher regions while left them with only marginal market penetration.

Saudi remains the largest Middle East construction market, accounting for nearly half the region's total construction expenditure, and UK contractors may now be tempted to step up their efforts to obtain a share of the work available. Needless say, competition remains intense and payment problems can and do still arise.

### Strict eye kept

The banning of one major South Korean contractor from the Kingdom and a determination on the part of the authorities to keep a strict eye on contracting procedures and standards could well help those UK contractors with good reputations which may decide to take Saudi more seriously in companies used to being heavily committed in the lower Gulf. £6m contract in Saudi.

But traditional civil engineering contractors will find the opportunities declining as high upted growth. Middle East markets which have contracts within Saudi are now The figures showed that, for not in the past attracted much regularly being broken up into

the second year running, the attention on the part of UK smaller parts in order to enable value of Middle East work contractors.

the work. Elsewhere in the region there are countries without the huge oil revenues held by some of their neighbours but which have nevertheless started extensive development programmes at a later stage. Sudan, The Yemen Arab Republic (North Yemen), and The People's Democratic Republic of Yemen (south Yemen), and Egypt. It is perhaps in Egypt that UK contractors will find the greatest source of future business, though its role as a source of new work will be governed by limited resources and by the avail-

The total value of major projects in Egypt, either under-way or provisionally costed. estimated at over £11bn.
Opportunities for component suppliers, plant manufacturers, should be good and British companies stand to do well. Already names like Higgs and Hill Tarmac, Laing. Cementation Bovis and Crown House have

ability of international financial

But if contractors are being forced to re-examine strategy and traditional markets in the Arab world, there seems no doubt that the region willdespite a declining flow of work-continue to represent the largest source of business for Britain's-international contracting industry.

hopes are high for more

Michael Cassell

## Big response for exhibition

struction exhibition ever held in the Middle East opened on Sunday. It is housed in the new Jeddah International Expo Centre, a square-cornered U-shaped tent looking like a giant squat sausage. The exhiition has received an outstanding response with over 600 com-panies from 23 countries repre-

These are predominantly from Europe and the U.S., but Saudi Arabia is making a strong showing in a special pavilion at the back of the forecourt between the arms of the tenting reserved for open-air exhibitors. Only some 600 square metres of the 45,000 square metres available have not been taken —in the open area.

Organised by Fairs and Exhibitions of Britain in conjunction with Al-Harithy Company of Jeddah, this exhibition is the third of its kind, but the first to be held in Saudi Arabia. Back in November there had been some apprehension that the seizure of the Great Mosque in Mecca by opponents of the Government might cause the Saudi authorities to have second thoughts about the holding of the exhibition. Instead, it clearly has been decided to make it an indication that business continues as normal.

only measures taken which might have had an effect on the exhibition was to step up container inspection at the port to 100 per cent. As a result there is 10 days' congestion at Jeddah, but this it is claimed has not held up deliveries to the Expo Centre.

The timing of the exhibition and the response to it raise a number of interesting points. First, the size of the Saudi construction market over the next few years is likely to calculations made by Plantecon (Overseas) Research, the Saudi market, worth \$22.5bn in 1978, will peak this year at \$24.1bn and gradually decline over the

Construction (MEC), which has been involved in promoting the exhibition, does not broadly dissent from this view. A market analysis on the Saudi market, commissioned by MEC and published this month, concludes that although Saudi Arabia is the most important construction market in the Middle East, "construction out-put (there) has already reached a peak. It may remain at this high level for a couple of years, but thereafter a decline is anticipated-although this is unlikely to be as brutal as the experience of the United Arab

Second, this decline in the size of an already highly com-petitive market will only make

### Uncertainty

Emirates."

Third, the U.S. is very strongly represented at a time of some political uncertainty in whole and when the U.S. con-struction industry has slipped behind its competitors in Saudi Arabia, taking only 8.5 per cent of the market in the last four

The objectives of the exhibi-

tion are, as the organiser indi-cate, virtually self-explanatory. They say: "It will offer exhibitors an opportunity to demonstrate the latest developments of the world's construction market." In other words it is surely an exhibition and not an opportunity for direct sales. Any deals announced would be purely coincidental. The exhibition, which ends on Saturday, will also "give thousands of Saudi, Arab and international visitors . . . an opportunity to assess the products and services on display." The emphasis in the displays is heavily—perhaps next few years is likely to as much as 80 per cent—on become smaller. According to building materials and furnishings. But there is also some heavy plant exhibited. The

The magazine Middle East Ministries and organisations so that the Kingdom can not only indicate what has been achieved in the construction sector, but also provide some guidance as to what may happen in the future, particularly with a new development plan due to start

this year.

In addition, the exhibition provides the usual but vital opportunities for contacts particularly for newcomers to the market searching for partners and agents. The new Jeddah Interna-

tional Expo Centre, which had to be re-sited to the Eastern Perimeter Road at one stage because it was originally planned too close to a residence of Crown Prince Fahd, covers 45,000 sq metres, of which 15,000 sq metres is available for exhibitors' dis-plays. Of this, 7,000 sq metres is under cover and the rest outside. It has cost something of some political uncertainty in like \$5m to mount, of which the Middle East region as a the organisers should recoup

about two-thirds through attendance fees alone. Participation by govern-ments has been extensive. The British Overseas Trade Board has organised the largest British joint venture participa-tion yet mounted for an exhibi-tion in the Middle East, taking 2,500 sq metres of covered exhibiting area, and 2,200 sq

metres outside.

The U.S. Department of Commerce, supporting an exhibition for the first time, has taken over 1,000 sq metres to aid the 144 U.S. exhibitors. In addition, West German, French and Swedsh government-backed joint ventures account for a further 3,000 sq metres. There has also been govern-ment backing for joint ventures by Denmark, Holiand, Switzer-land, Belgium and South

Korea. The composition of the exhibitors indicate that this is a heavily Western-oriented proportions indicate the chang-ing shape of the Saudi market, organisers did negotiate to bring Half of the 3,000 sq metre in representation from Asia, and

JUST OUTSIDE Jeddah in next five years—by 37.3 per special Saudi Arabian Pavilion the Middle and Far East Britain Saudi Arabia, the largest con-cent to \$15.1bn. has been allocated to Saudi has the highest representation has the highest representation in single and joint displays with more than 220 exhibitors, followed by the U.S. with 144, and West Germany, France and Sweden with about 30 each.

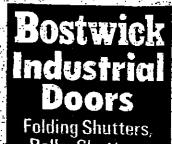
Saudi Arabia has over 50 displays, and of the rest of the world, only Bahrein, Kuwait, Lebanon and the United Arab Emirates are represented by about ten displays between

\_Iu\_view of the challenge of Far Eastern contractors, notably South Korea, and to a lesser extent Taiwan, the Philippines, India and Pakistan, it is notable that only Korea, Pakistan and Taiwan are represented, and Korea solely by the official Korea Trade Promotions Cor-

poration.

The same companies which organised this year's fair plan to hold another in Jeddah next

A. McD



Roller Shutters. Sectional Overhead Hinged Doors, Steel Door Frames.

large market for building materials though the high level of activity which began in 1970 and reached a peak in 1976 is no longer in evidence.

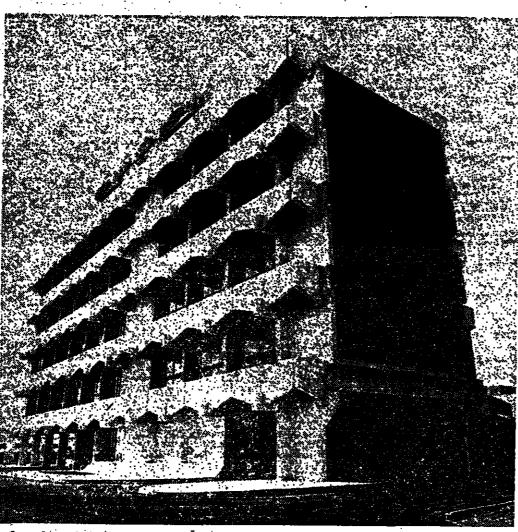
hich had practically no inframore sophisticated products environment, and delivery and orice are all-important. Compe visiting the Arab world need to be conversant with technical uthority to negotiate and make decisions on the spot

Many developing countries dustrial expansion, with consement focus on export prospects. Oil-producing countries Oil-producing countries are anxious to exploit hydrocarbon sources to obtain the greatest value from the oil produced or to use the gas to fuel basic instries such as steel and duminium. Similarly, countries are attempting to become independent producers of building materials to supply their own needs and to export to other countries. This is causing a growing number of countries to restrict the import of materials which compete with local manufacture or assembly must be given to locally produced materials.

Local industries are generally protected by high tariffs. Even o, key items will still have to be imported. The need for foreign exporters to establish joint ventures with local concerns to manufacture or assemble locally is becoming more and more important and can often attract complementary

### Marked effect

The unrest in Iran and surrounding countries has had a marked effect on business—Iran was one of the largest individual markets in 1977—and there is crete pipes, bricks, paints, insulation materials is growing. obviously still some uncertainty cement blocks and bricks, cast BAHRAIN—Oil reserves are about the future, but the construction exhibition in Jeddah, Saudi Arabia, this month has attracted the largest response ever, with over 200 British companies participating. This event follows two highly successful construction exhibitions in 1978 already there is a great amount quality is to some extent being



Soundproofed redio studios at Doha, built for the Qutar Ministry of Information by Bernard Sunley and Sons for £4.7m. The building is clad in white; glass reinforced concrete panels supplied from the UK, but cement and aggregates were bought locally

be held in Bahrain towards the Kuwait's end of this year.

KUWAIT—Increased ment is likely to continue, with a budget of £770m, most o' which is likely to be in the private sector. Most building materials are imported although there is some local production of asbestos cement, steel and coniron pipes and manhole covers cladding aluminium windows.

Some locally produced products are exported, and Kuwaiti businessmen are keen on joint lows two highly successful ventures with foreign com-astruction exhibitions in 1978 panies. Competition is very Dubai and Bahrain, and fierce but the importance of

countries. Research is being carried out by the building re-Institute of Scientific Research. Some work has been done on insulation in relation to electrical consumption used for airconditioning, and interest in

limited. The infrastructure has been completed but low-cost housing is still required Construction declined in 1976-77 but has stabilised at about £150m, more than half in the com- private sector. The only major very project is the £500m causeway inking Bahrain and Saudi Small manufacturing Arabia. of interest in "ArabBuild" to recognised. About 15 per cent of units produce window frames, doors, plastic pipes, tiles, bricks and blocks, precast concrete tionally a market for British goods, competition from other

countries is increasing.

QATAR-The country has a diversified economy, as well as its oil production. Manufactures include steel reinforcing rod and cement. Light industries in which foreign participation is welcomed include paint, adhesives, PVC tiles, pipes and meamine products. There are plans for a building materials plant and foundry to produce manhole covers and pipe fittings. The infrastructure is perhaps less advanced than in other Middle countries because of lack of Expenditure construction is well over £200m and is expected to increase on housing, public building and hotel and a conference centre. TIK consultants are active. Most imported building materials attract 21 per cent import duty but 20 per cent is imposed on steel reinforced products in order to protect the local

UAE (Dubai and Abu Dhabi are the major emirates). Estimated value of construction work is about £600m—with the major infrastructure completed. In Dubai there are projects in the public and private sectors, including factories producing cement, steel fabrication, aluminium extrusion, plastic pipes, GRP, bricks, etc. There are no special tariff barriers. Abu Dhabi is concentrating development into oil intensive industries through the Abu SYRIA—There is potential for Dhabi National Oil Company. A expansion with a budget in 1979 new city is being built at

SAUDI ARABIA—The world's largest exporter of oil is spending a large amount of money on development. Expenditure on construction in 1978 was estimated to be between £6bn and £10bn. Imports on building materials rose by nearly 80 per cent in 1977, but by barely 20 per cent in 1978. American consultants pre-dominate. As a result America is Saudi Arabia's biggest trading pariner. French, German, Japanese and Korean contractors handle most of the larger projects. Large indus-trial complexes at Damman and Yanbu are expected to cost £35bn, about half in infra-structure and construction. The Saudi industrial development fund encourages joint ventures between Saudi companies and fevergn know-how; about 800 projects are in operation or being considered. The majority are the less sophisticated con-struction materials—aluminium window frames, asbestos cement pipes, plastic pipes, bricks and ceramic products.

ing materials is likely to continue for some time but ultimately future imports will tend to be those requiring a high capital for a relatively small market. It is likely that capital-intensive products will continue to be imported, as will products of a high tech-

nology nature.

OMAN—Building materials are mostly imported, with Britain the main supplier. Not much taken place, but asbestos cement and plastic pipes, alufabrications, tured. It is possible that legislation will be introduced as protection against competitive imports. YEMEN ARAB REPUBLIC-De-

velopment is hampered by lack; velopment has increased in the last vear or so. Expenditure on a wide range of projects is envisaged in the areas of transport, health and education. There is very little manufacture, but cement, paint, clay, tiles, bricks, aluminium doors and windows are produced. Protective tariffs will only be raised when the production of a product is sufficient to satisfy PEOPLE'S DEMOCRATIC RE-

PUBLIC OF YEMEN-This is a country with as yet practically no development, though a start is being made on low-cost housing. All business is directly controlled by the State through public corporations and national com-Information panles. materials is of interest to the Building Construction Division of the National Company for Foreign Trade. JORDAN. A five-year develop-

ment plan comes to an end this year. Larger projects are generally handled by Koreans, Japanese and Taiwanese groups, though local contractors produce domestic housing; 20,000 homes a year will be required for the next 10 years or so. Local production of building materials is expanding, including bricks, paint, tiles, ceramic sanitaryware, galvanised pipes, plastic conduits, aluminium windows and doors, boilers, radiators, asbestos cement pipes and reinforcing bars. There is tariff protection for some products. of £740m for infrastructure, industrial and commercial investment. Most essential construction materials are produced in Syria by State industries and imports are banned except in special circumstances when local supplies are insufficient.

IRAQ—Around £20bn is expec-ted to be invested in infrastructure, agriculture and industry. Government organisations pur-chase virtually all imports, and heavy industries are operated by State companies. Banking and insurance are also controlled by the public sector. Construction development plans are extensive, including 3.3m housing units between 1981 and the year 2000. Roads, railways and hydro-electric projects are also planned. There are plans to produce and export steel, and con-crete and asbestos cement pipes, blocks and bricks are already being produced. The demand for building materials is enormous, but the market is difficult to

Jenny Tomlinson Miss Tomlingon is the Director of the Building Materials The demand for many build-



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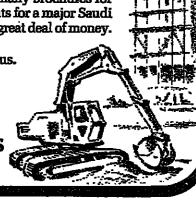
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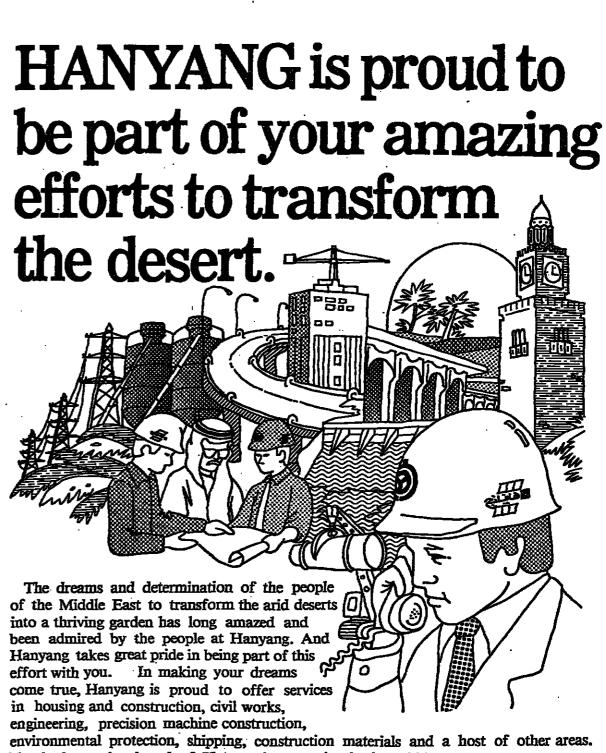
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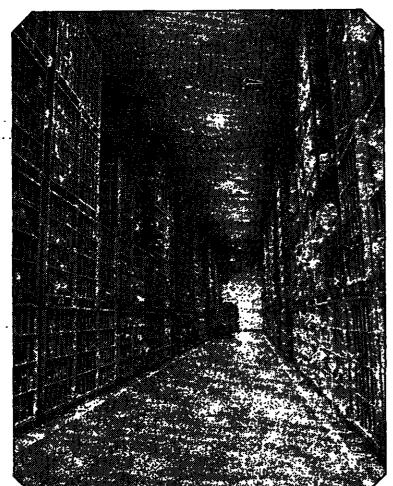
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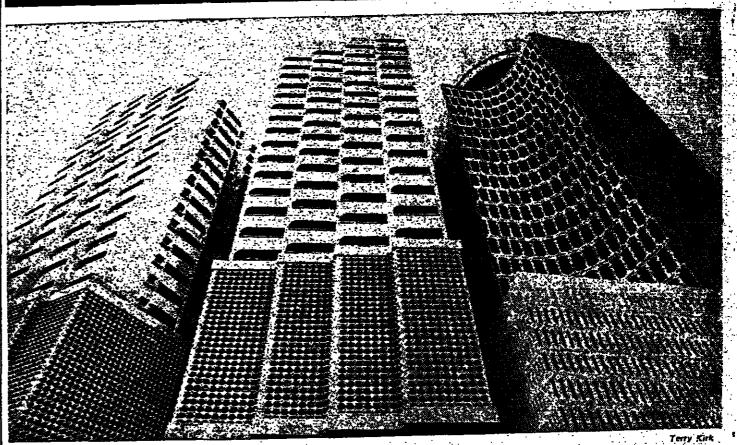
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## ARAB CONSTRUCTION VI



Three new tower blocks in Al Nasr Square in the centre of Deira, Dubai. The two 22-storey blocks in the left were built for residential and commercial use by Al Naboodah Medcon Laing for H. E. Shall ansoor bin Ahmed Al-Thani, and on the right is the Deira Tower by Al Rashid Construction in the sound with M. H. Bezzola and Riefler & Gugisberg (both from Switzerland)

## Quality gains importance as tenants call the tune

AT THE height of the Gulf corrosive construction boom, buildings were designed without much thought about maintenance. Indeed, if a property developer five years or less, there was little incentive for him to spend on better quality materials or protective coatings for the sake of long-term

for example, instead of cheaper softwoods in joinery could add \$3,000 to the cost of a \$150,000 Why bother then, when tenants at that time were forced to pay high rents for any habitable accommodation? They were in no position to complain about gaps in the woodwork.

rents have tumbled, giving a slower return on investment, and there is pressure on the landlord to provide better service. If he does not, the tenant can move out. Every flats and office space on his books. The financial importance of having a building with a long life has become critical, and the impatient profit-seekers have been made uncomfortably aware that while their own five-year-old properties are fall-ing down, landlords who thought about maintenance from the outset have much older buildings in good condition.

For hotels, too, the climate has changed radically. In most Middle East cities the customers now have a choice, and while the absence of a top-line band or cabaret show may not necessarily drive them away, defective plumbing and airconditioning certainly will

Structural deterioration in modern, reinforced concrete buildings has manifested itself as soon as 10 months after completion, as in a block of Government flats in Bahrain. Lack of real knowledge among consudtants of the harsh climate of the region has been blamed for the breakdown of building fabrics, besides contaminated materials and inadequate supervision on

The high incidence of ultraviolet light, often four times that of the temperate climates of Europe and the U.S., has led to the failure of paints and plastics used in the waterproofing of roofs. Additionally, unlabour has been employed to apply expensive materials whose performance has never been studied in the climate of the Arabian

### Temperature changes

Differences in temperature between summer and winter result in a high level of thermal movement in any structure. Mr. W. G. Phillips, head of building and civil engineering at the Gulf Technical College, puts the degree of expansion and contraction at 0.1 per cent. Great stress is imposed on a south-facing wall whose other surface is exposed to one kW per hour per square metre of solar radiation while the inner surface is in an air-conditioned environment.

The resultant cracks can be penetrated by fine wind-blown sand containing up to 10 per cent of chlorides and sulphates which sooner or later corrode the steel reinforcement.

In the mid-seventies a team of United Nations specialists spent three years in the United Arab Emirates preparing a report on concrete deterioration for the Federal Ministry of Housing and Town Planning. The report condemned the use of cement condemned the use of cement staff were brought into Bahrain which had lost its strength in December 1977 to set up a through overlong storage in preventive poor conditions, and of aggregates with excessive amounts of hospitals-including the Sulsilt, clay and chemical salts, maniya medical centre which Their recommendation for the use of a rubber-rich bituminous health centres. emulsion to form a waterproof

constituents reportedly used with success by manpower costs, the former J. D. and D. M. Watson on

Gulf. Iraq and Egypt have experienced them too, although Jordan seems to have fared better. Engineers working in the area believe that while attention has been focused on the quality of construction materials, at least defects can be traced to careless ness and bad workmanship, to which expatriate

quality controlled materials machinery and equipment are just as liable as the small local concern with fewer facilities. Extra precautions are re-

contractors.

quired, for example, summer because of the too rapid loss of water. The remedy lies in saturating the concrete early enough and long enough. Some

### Poor workmanship Poor workmanship and super-

vision are undoubtedly the main cause of deterioration in surface coatings. The first coat of paint is applied at a time when a client is anxious to use the building and the contractor to complete it so that he can receive money outstanding. So preparation of wood and metal surfaces is often inadequate, and rendered walls are allowed insufficient time to dry.

Roads are as vulnerable as buildings to attack by salts, which are brought to the sublayers of tarmac by capillary attraction and cause rapid-breakdown. Concrete kerbs crumble soonest where there is poor drainage. All roads are built with a planned maintenance requirement, including an additional thickness of surfacing as traffic increases. But remedial work is often neglected until the only alternative is a major reconstruction job. The Abu Dhabi to Al Ain highway is an

Up to 60 per cent of the con-struction cost of a building is in services such as power, water, air-conditioning and drainage. Here again there are special problems in the Middle East, and areas where the water contains 5,000 ppm of dissolved salts are a plumber's night-Water like this even attacks stainless steel, or copper used in an immersion heater with a dissimilar metal. The right grade of plastic is goodbut contractors have been known to use lightweight elec-trical conduit for a mains water supply, and to place it up a wall where it is fully exposed to the

Air-conditioning equipment is frequently placed on roofs where the moving parts are quickly damaged by dust and sand. In addition, most Arab States lack building regulations to enforce adequate standards of insulation, which would cut down on air-conditioning and thus on power generation costs. This has been proved in hospital building in Kuwait.

Planned preventive main-tenance is in its infancy. The normal system, even in Govern-ment buildings, is to wait for a defect to appear and then attempt to remedy it. Even painting is not carried out regularly except in schools and hospitals.

Special hospital maintenance maintenance schedule for the island's nine opened a year later—and 14.

This was an enlightened step. by but despite an annual expendi-

DHSS engineer in charge judges Dubai's sewerage scheme and by the programme is only getting contractors Bernard Sunley in half what it needs. Because the foundations of the Dubai priority must be given to serand of corrosion and attack from under-maintained.

Salts are not restricted to the Gulf. Iran and From the property of the Based of the Research of the Resea

Code of Practice ment (ESTMANCODE), planned preventive maintenance goes far beyond an ordinary breakdown service. It is a cost-controlled programme which tells technicians when and where servicing has to be carried outand can be expanded to a management information system on plant and equipment remirements.

Applied to an old building, this systematic approach shows up the lack of previous maintenance but does result in heavy costs in the first year. These should decrease subsequently.

For ordinary commercial and residential tenance can be divided into rectification servicing, replacement. Servicing covers ing the cement content instead regular cleaning of floors, walls but this in itself causes cracking. and windows, and painting and decorating both as a protective and an aesthetic function. Provided the property-owner can be persuaded to allocate sufficient funds, the work presents no problems.

More and more local companies are taking on maintenance as a side line to their construction business, and a number specialise in cleaning and security services for major buildings. Lift manufacturers usually have their own service team where a number of their products are installed, and importers of air-conditioning units also offer service and repair facilities.

Replacements too are matter of financial provision and the planning of work to cause the minimum disruption. It is in the rectification field that property-owners face both abnormally high costs and a shortage of local skills. There are few local craftsmen with the knowledge and experience to remedy design faults and defects arising through failure of materials. All too often the work is neglected until the damage is much more extensive —and costly—than it need have been; or a jobbing labourer patches up a defect without getting to the root cause, with the result that the trouble recurs within a matter of months.

One company, Cementation Middle East, specialises in injecting deep structural cracks with an epoxy resin which it claims hardens after 24 hours to become stronger than the surrounding structure. Cementation has worked in Egypt, Bahrain, Qatar and Oman, and has been based since 1977 in the UAE, where a spokesman foresees enough work to last several years.

Jobs undertaken include seal-Jobs undertaken include sealing cracks in Sharjah power station, the old fort which houses Dubai's museum, the Dubai clock tower, and the Dubai smelter while it was still at the construction stage. An associated company does foundation and construction work, but Cementation ME sticks to its own particular kind of trouble-shooting" and does

Very few companies concentrate on a comprehensive building maintenance service since this would tie up a large number of specialist staff.

Shutdown Maintenance Services (SMS), for example, which does a lot of plant maintenance for oil companies, restricts its non-industrial activities to contract cleaning of buildings.

Prominent among consultants and management companies in Middle East market are Cluttons, Debenham Tewson and Chinnocks, and Walker Son and Packman, while Knight Frank and Rutley were in Tehran. In Kuwait it is more usual to find local concerns managing large properties.

Debenhams act as consultants on letting and management and valuers and surveyors on behalf of clients throughout the Gulf, including Saudi Arabia and Oman: In Doha they are currently setting up manage ment systems seven-storey headquarters of the British Bank of the Middle East, and a 15-storey commercial building. In Bahrain they manage a number of buildings themselves, including the 18storey Bahrain Tower which houses among others the Bank of America and the Ministry of Commerce and Agriculture.

### Service charges

They oversee repairs and cleaning done by other con-tractors—and have recently succeeded in persuading a few landlords of the value of preventive maintenance to protect their investment. The introduction of service charges in addition to rent goes back to 1975, a Debenhams spokesman said—but it is still an idea which all but the most enlightened, both landlords and tenants, tend to resist.

The charge is currently calculated as 10 to 15 per centrof rental income, and the landlord is legally obliged to use this money for the upkeep of the building and for cleaning security and insurance. As rents fall, however, service charges may have to become bigger to avoid a lowering of standards. Debenhams estimate that in Dubai office rents have dropped by 40 to 50 per cent over the past 12 months, flats 50 per cent and villas 10 to 20 per cent. In Bahrain the average decrease is around 40 per cent, but in Sharjah the slide took place much earlier; in Abu Dhahl rents are more stable. Projects and Properties.

which operate only in Babrain, is one of the few agents to combine letting and manage ment with maintenance, drawing on the 400-strong labour force of its construction division, Projects SA. The company was formed in 1977 and is now responsible for about 150 commercial and residential properties. A standing 10 per cent service charge is levied for office space, with 5 per cent for some residential accommoda

Projects regards its mainten-ance activity not as a money-maker but as a service in conjunction with its letting agency and management function.
Without a parallel construction business they estimate it would not be a viable proposition.

Mary Frings

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## Clients force tough terms and reduce profit margins

with the shortage of manpower and dearth of skills. Above all, for the time being, the Arab world—or at least those countries—in it blessed with oil—represents one of the few buggant markets attracting the attention of the international construction industry. By the same disterion it is a perverse one where inherent difficulties are encertaited by intense competition, and generally narrow margins. The days of heavy grewith experienced in the 1974-75 fierlod are a phenomenon of the past that is unlikely to reappear. The doubling of oil revenues over those control of the past that in molicely spending less than a binding commitment of the past that another explosive spending less than a binding commitment of the past than a profiler—explosive spending less than a binding commitment of the past than a binding commitment of the past than a binding commitment of the construction industry to live with fixed price contracts oven if the variables in the cause greater than average concern. Arguably, buyers would benefit from speed of implementation and a better product in the long term by proceeding on a "design and build" basis which necessarily involves a cost-plus fee. It is, however, against the Arab mentality to accept anything and predictable levels. domlling of oil revenues over momentality to accept anything amplier explosive spending less than a binding commitment space mercifully for both as regards price. The general preoccupation with "inflated preoccupation with "inflated bils" only strengthened this much as ever buyers markets attitude when the Arab oil where he who pays the piper, states concluded about three at least in the predominant years ago that they were being public sector, also calls the

In practice, this has meant no relaxation of tough terms imposed by governments in the region, in particular a rigid adherance to fixed-price con-tracts. Clients continue to demand unconditional guaran-

Contractors not only still face the problems of covering themselves against contingent liabilities but also the increased cost of insuring against risks at a time when intense competition has tended to reduce profit expectations. Payment delays remain a hazard, with clients accepting no obligation to compensate for accumulated interest incurred as a result.

### **Excess** capacity

25.T.85

Only in one respect has there been a significant change for the better. The region no longer suffers from the kind of strains and dislocations of the kind suffered in the boom years that only noticeably began to ease towards the end of 1977. All the Arab oil states now enjoy much expanded and improved infrastructures — to the extent that some, like Saudi Arabia and the United Arab Emirates, now have an excess of port capacity....

n port capacity.

Nevertheless: the sums
Generally, building materials involved can be considerable are locally available in abundance and variety. Both governments and contractors have gone a long way to overcoming

exploited. They have tended to ignore the local factors largely responsible for the comparatively high cost of projects

Insistence on fixed prices is still the almost invariable rule. The one big notable exception demand unconditional guaran involves the projects impletees and are reluctant as ever mented by the Arabian Amerito contemplate agreeing to provisions allowing for international arbitration.

Involves the projects implemented by the Arabian Ameritan Carried out on a cost-plus fee particular arbitration. neers has also been prepared to allow for some escalation factors in contracts that it has supervised. It was also allowed for the construction of the Arabian Ship Repair Yard in Bahrain.

carried out in the region.

Dubai. where a unique relationship between the Ruler and contractors exists, has also been flexible. But it has suffered two spectacular cost over-runs for its dry dock and its aluminium smelter that other Arabs might point to as a cautionary tale about showsuch indulgence · to contractors.

Bonds demanded by clients remain a problem for contractors. Guarantees required to support bids can vary from 1 per cent for State contracts in Saudi Arabia to 5 per cent in iraq Designed to discourage unsuitable contestants, to prove good faith, and to ensure a winner does not withdraw after an award is made, they have en acknowledged as justified.

and also onerous when awards hang fire. One example has been the delays over a decision do the University of Riyadh

complex in Saudi Arabia for which the lowest bid was no less than \$3.4bn.

Contractors receive advances amounting to 10-20 per cent of contract value for mobilisation. with the money being repaid through pro rata deductions from progress payments. For contractors these funding arrangements, which are in-terest free, can be regarded as very advantageous. The fact that they have to be covered by guarantees cannot be cause for complaint in itself.

### Open cheques

The misgivings arise from the unconditional nature of the bonds that have been frequently because they can be called at the whim of the client. That goes also for performance bonds covering 5 to 10 per cent. Again, no one would deny that contractors should be held responsible for the quality of their work. However, the buyer is the sole judge of performance. With little exception no allowance is made for international or independent arbitration. Where provision is granted for the settlement of disputes, it is almost always in local institutions and according to national

In addition, bonds to secure the release of retention money or to guarantee warranty obligations may also be required. The time period involved is 10 years compared with the normal one-year maintenance period.

The origin of this decennial liability, ironically, is French law, originally adopted by Egypt and then subsequently by other Arab countries. Kuwait has gone even further in making a contractor responsible for the consultant's work as well as his own. Some have also been made to agree to any alteration or modification, after comple-tion of the project, without any right of opposition unless the obligation exceeds 15 per cent of the contract price. Algerian and Iraqi contract terms are said to be the toughest of the

wards acceptance of the contract formula recommended by the Federation Internationale Ingenieurs-Conseils, but always amending it to their own advantage and excluding any reference to arbitration by the International Chamber of Com-

Arab states have moved to-

. Not the least because of the



The smelter for the Dubai Aluminium Company at Jebel Ali is almost complete. Several British companies are involved in this major project which has British Smelter Constructions as the main contractor. Others include Wimpey, Costain International, Hawker Siddley and Weir Westgarth. International sub-contractors include Ferrosta al, Klockner Humboldt and Riedhammer of Germany. The smelter will produce 135,000 tonnes a year when in full commission in a few months' time

pained reaction of western companies to the decennial liability. Egypt is currently in the proof amending its laws so that the statutory obligation may be inapplicable in certain That could be seen as reflecting the greater bargain-ing power of contractors in buyers' rather than sellers' mar-

Even in the latter it is possible to cite examples of flexibility. Libya, for instance, recently agreed with a West German company—which has carried out a number of large projects in the country-to provision for international arbitration in a contract. Even in competitive markets more can be achieved through negotiation and persuasion, in getting Arab states to move towards internationally accepted contract practices than the contracting nationally industry appreciates.

It should be stressed as well that the problem relates to governments or state agencies and not the private sector. No contractor in his senses would

agree with a private client to posure and the country in- conditional guarantees and it of many more banks, rates unconditional demands nor volved. Currently the ECGD wants firm provision for fair have fallen to a dangerously would there be any need for is underwriting nearly 100 con- arbitration. For their part, low level in view of the would there be any need for him to do so.

Arbitrary and capricious calling of bonds by Arab clients has been rare. Nevertheless, apprehension about contingent liabilities and political risks have been increased by events in non-Arab Iran and the resulting uncertainty in the region of Gulf. Since the revolution, Iran has committed a number of defaults, mostly relating to ordinary trade deals, and Britain's Export Credits Guarantee Department alone has so far paid up £30m for political risk insurance. Like all other major western govern-ments, the UK gives cover against the unfair calling of on-demand bonds.

In this field, political reasons overlap with economic ones and it is difficult to differentiate between them. The ECGD's comprehensive construction works policy gives a 90 per cent cover with premiums of 1-3 per cent depending on the period of ex-

tracts in the Arab world with total value of £500m and a bond value of £90m. The amount of potential claims is about double what is was about

a year ago. For a contractor it is a question of choosing the whole ECGD package or nothing. According to the extent of the coverage judged necessary, it can be cheaper to insure through the commercial market with a policy more finely tuned to a company's requirements. Over the past eight years or so, Lloyds, the American Insurance Group and other insurance companies have developed a broad range of policies to cover political risk.

### Firm provisions

Yet there is a limit to what the business can do to satisfy Arab bond requirements. One reason is that the insurance business looks askance at un-

do not appreciate the system whereby an insurance company stands surety for a contractor, undertakes to cover actual losses suffered by a buyer and takes responsibility for completing projects. They prefer instru-

can be easily liquidated. Consequently, the banks have been responsible for all but a small part of the business of issuing guarantees or, in the case of U.S. companies, standby letters of credit, while insurance companies have been confined to providing cover against the unfair calling of

ments that they understand and

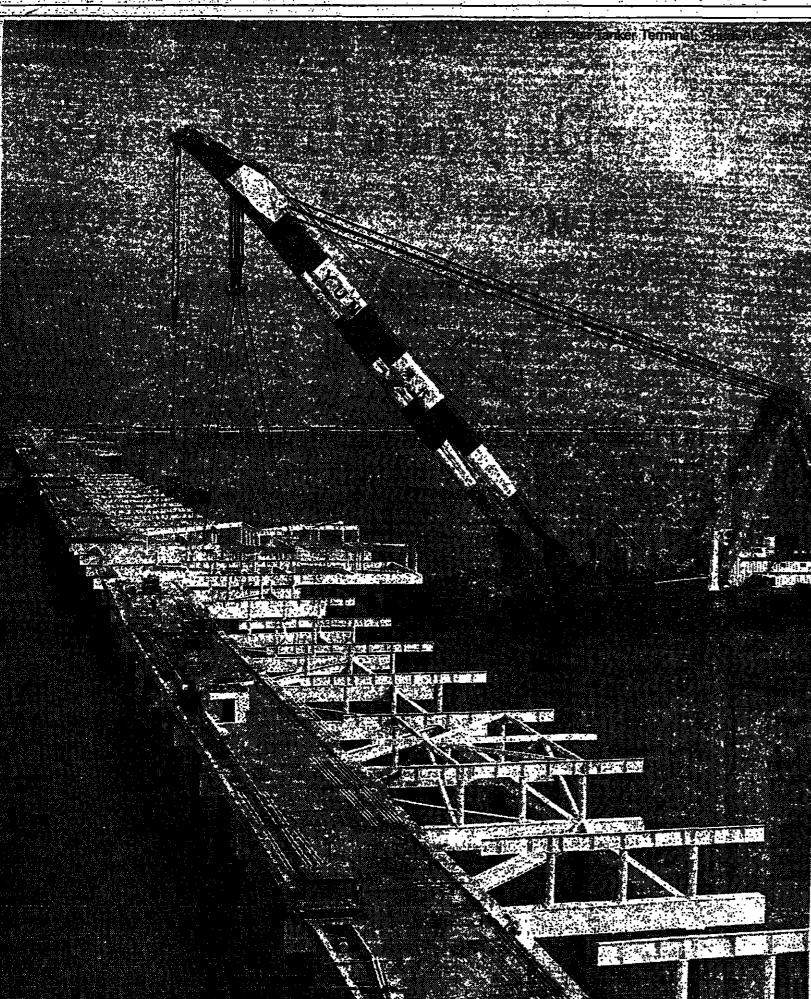
Overall, charges made by banks are very much cheaper than equivalent coverage through the issue of bonds by the insurance industry would be. With the growth of the market and the involvement in

Arab clients are unfamiliar with inherent risks. Compared with the insurance business. They a rate of 1-1.5 per cent they have fallen to 0.5-1.0 per cent. Because of competition, most operators do not even require cash security deposits as a back-ing for their commitments on behalf of contractors.

> Doubts have been expressed about the expertise and knowledge of the industry of many of the banks now active in the field. At the same time there has been a trend towards syndicating guarantees. They can be so large that they exceed the amount which a customer is prepared to receive from a bank or, in turn, any one bank is prepared to give.

Sums involved are frighteningly large in absolute terms and in relation to the assets of many contractors. The total of contingent liabilities remains uncomfortably large.

Richard Johns



## HYUNDA

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The Middle East Construction Exhibition is now firmly established as a major event on the construction industry's calendar.

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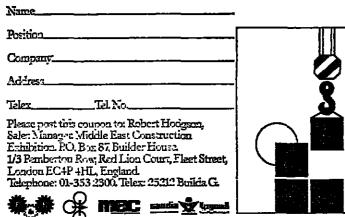
The fourth Middle East Construction Exhibition, from 11th-16th January 1981 will build on this success and grow in stature and influence. It will again be held in Jeddah, centre of the

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Emirates generate fierce competition THE UNITED ARAB EMIR some half a dozen contracts emirates, has taken a consider-ATES (UAE) once epitomised underway in the UAE, much to able beating when the property he boom market for intercontractors.

to spiral after 1973, it wanted everything from multi-berth ports to airports, roads and gas iquefaction plants. Up the road in Dubai, the under way in the UAE, much to gaged on building the world's largest dry dock, a massive aluminium smelter and a port large enough to be dubbed the

Rotterdam of the Gulf.

That was all three years ago, and the influx of contractors market but a tough one. The has now turned into an exodus—at least from the northern Emirates. Now in Dubai, architects, quantity surveyors and consultants are quietly leaving, their departures marked only by unanswered telephones, and frequently with large amounts of money still owed to them. many are still hanging on; a number of them still waiting to be paid for past work done, others turning their UAE offices into Middle Eastern operations, and many more planning their entrances to the one market in the UAE which is exhibiting very healthy signs of life—Abu Dhabi.

Despite the fact that much of the decision making is now being done in Dubai since its ruler, Sheikh Rashid, took over as Prime Minister last summer, Abu Dhabi is still the seat of power for one reason—it is the largest oil producer and thus the main financial provider to the Federation.

Federal Government contracts still have to go through the gemut of thousands of bureaucrats who make up the federal system and the Permanent Projects Committee, a special formed body which vets all proects and contracts, which Western diplomats view as Abu Dhabi's method of ensuring that the Emirate does not become overcharged in its development programmes. Indeed, it has een singularly successful in this, for Abu Dhabi is believed to have secured the cheapest construction costs in the Gulf.

Such an achievement has not been made without some heartburn to local and international contractors. The boom period has left Abu Dhabi with hundreds of contracting companies vying for work—often ust to stay in business. Added to that, the Koreans have now UAE with the usual dogged determination which marks their entry to a market.

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the disgruntlement of the local companies who cannot match its Dhabi, its capital, was a late prices, and also to the local developer compared with other merchants who grumble that nearby states such as Kuwait, the Korean presence generates and when the oil prices began no commercial spin-offs. prices, and also to the local merchants who grumble that

Abu Dhabi is a steady market buta t ough one. The score or so British contractors represented in the capital are up against not only competition from Germans, Dutch, French and the local Lebanese and Palestinian companies, but more recently the Yugoslavs, Greeks and Turks have been attempting to get a slice of the action, often backed by high ranking trade delegations and bidding at low prices just to secure a

### Government's heyday

With so many companies fluttering around the honeypot, the Federal Government departments have a heyday of playing one bid aginst another. On a recent pipeline project from Abu Dhabi to Al Ain, some 183 companies picked up the tender documents, and there were some 60 bids at the end. What happens usually is that officials will pick the cheapest five, and then either open again for rebidding, or negotiate the bid they want down to the lowest price offered. Competition is such in Abu Dhabi that often contractors will put in a higher bid bond than is necessary, merely to disguise the true amount of their bid.

Many of the local banks also employ clerks whose job it is to find out the amounts in other competing offers. Another technique frequently used by contractors to maintain secrecy over bids is to submit their offers half an hour before they are due to be opened.

The net result of all this

competitive frenzy is that a successful tenderer who has a bid accepted and then renegotiated ends up wondering if he really wants the work Frequently the difference between the original offer and the final price after re-bidding and renegotiating has gone on, can be as much as 10 to 15 per cent. One British company whose tender had been subject to re-bidding and then renegotiation, decided that after all the price was just so low as to make their involvement in the project not feasible economically, and they chose to opt out. As one Western diplomat concluded: turned their attention to the could say that Abu Dhabi's development programme contractors."

The private sector in Abu South Korean contractors, has Dhabi, like the rest of the

Abu Dhabi is still devising means of filling the existing apartment blocks in the city and until such time, a ban on office and residential buildings has been enforced by the municipality. However, villa municipality. However, building is still going on in the town, financed by local banks, and overall, the property market in Abu Dhabi is less disastrous than in other parts of the UAE. Western contractors have been finding small, but lucrative work building palaces and office complexes for some of the leading personalities in the Emirate, to whom the ban on new construction appears not to apply.

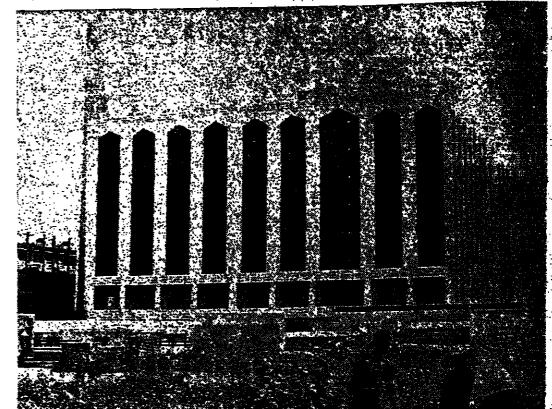
Federal spending is also likely to experience a boost in 1980 and the draft budget for the year from Sheikh Rashid indicates a considerable rise in capital whereas the last three years budgets have all been marked by an absence of new projects and a continuation of existing ones. The Prime Minister now appears to be pushing for an expansion in the economy, and the budget is expected to rise from Dhs 9.7bn (\$2.5bn) last year to Dhs 11.25bn (\$3bn) this year. A great deal of this can be expected to be channeled to the northern Emirates.

But the bonanza for the next few years for international contractors will of course be provided by the burgeoning giant of the Abu Dhabi National Oil Company (ADNOC), which is engaged in projects estimated at S7bn

In awarding chunks of the work, ADNOC has attempted to spread the contracts to competing nations to ensure that no country is endowed with more than any other. It has also hesitated to take advantage of contractors' mobilisation in the Ruweis area (where most of the development is taking place), and has preferred to award work to differing companies in Abu Dhabi to avoid the dangers of companies becoming overextended and failing to per-

Foreign contractors working for ADNOC are full of grumbles about the institution, but usually in the end concede that it is a fair and good client to work for, and one which at least pays promptly. Getting in on their pre-qualification lists can be difficult, but once you are in the right official's office, then he is willing to listen to your sales pitch, say local contrac-

ADNOC and the company will panies.



The Delta Bazaar and Gold Souk in Dubai under construction by Galadari

tries, and a trade centre is on

the cards, all of which will pro-vide opportunities to Western

contractors to demonstrate their

In the northern Emirates, the

picture is not as rosy. Indeed

most of the companies already

operating in the area are scrambling to find themselves Abu Dhabi sponsors to enter the

Abu Dhabi market. (A Dubayan

sponsor, no matter how

prominent he may be, does not

necessarily guarantee you the

right to work in Abu Dhabi as

many companies have found).

In Bubai since the con-mercially minded rules Should

kitty, it is as yet unlikely that

international skills.

find itself blacklisted from any future work, even as a sub-contractor. One British com-pany which was delayed on one project ewing to ADNOC's own delays in providing on-site materials was forced to swallow a lower rate of compensation than was asked, merely to keep in ADNOC's good books and ensure future work. "It works," said the company's manager. "Two days after we settled the dispute, we were awarded another contract."

### Blacklisted

companies secured their market share of ADNOC's development programmes. In the gas projects at Ruweis some 25 per cent of the work has gone to British companies, on the oil refinery, only 2.1 per cent, and on the offshore oil field projects the major part of the work has gone to French companies. This is primarily because of the involvement of the Companie Francaise des Petroles. CFP and the French branch of Foster Wheeler and Ameron Serete are the managing consultants on the the spot market, a number of precise, only foolish virgins Zakura projects, which has contractors have had their long would try to enter the UAE generated a considerable supply

Apart from the ADNOC projects in Abu Dhabi, the UAE lated into new development or industrial projects of the magnidefence force is likely to become tude of three years ago. an increasing source of work for local construction com-Much of the major work such

panies. Some \$250m has been as the dry dock, the smelter and earmarked for defence spendall the work at Jebel Ali is now ing, and a large part of that will either finished or nearing combe in infrastructure, mainly in pletion, and no new major pro-Abu Dhabi, say local sources. jects are on the drawing board. The Government is also expected Further north the scene gets to embark on the construction of a number of prestigious office blocks for various Minis-

even gloomler, with many con-tractors not only hungry for work, but still awaiting payment on work done a year or more ago. In Sharjah, particularly, the Government has been tardy in paying its contractors, and now local business circles would advise any company offered work in the Emirate to build the interest on payment into 2017

Most of the reputable foreign companies would hesitate to accept work there, and this can local and Gulf contractors who have been taking on the work. As one consultant put it, " if you zare a newcomer to the area mercially minded rufer. Should then don't come to the northern Rashid; began selling his oil on Emirates. Or to be more standing bills paid, but despite market at the moment."

## Building industry the major employer of migrant labour

the major employer of migrant labour in the region. In the 1970s, jobs on construction sites abounded as development in the oil rich states proceeded. Any able-bodied man could find work in the hectic days of development, when manpower bottlenecks were the constraint to development. But as time passed and development matured, unexpected patterns began to emerge.

In 1975 there were about 1.6m migrant workers in the capital rich states of Saudi Arabia, Libya, United Arab Emirates (UAE), Kuwait, Qatar and Bahrain. About 28 per cent worked on construction sites. Three quarters of these were Arabs and the remainder

continent or the Far East. Even by 1975, the ethnic composition of migrants was changing rapidly. Table 1 shows that for the four states shown, Arab migrants accounted for some 51 per cent of the total in 1970. By 1975 this proportion had fallen to 42 per cent, while Asian migrants had increased their share from 26 per cent to 46 per

These figures reflect an underlying change in the migrant labour market, which is progressively swinging away from Arab abour towards Asian and Far Castern labour.

### Clear reasons

Table 2 shows exactly how far his trend will have progressed by 1985. Out of a total of some 3m migrants, 1.7m will be Asians

The reasons for this transformation are clear. Just as the supply of Arab labour is drying up, so the propensity of Asian and Far Eastern countries to export labour of the right kind and in the right way has grown. The growing size of projects and contracts has tended to favour etter organised and financed companies from countries like

Moreover, the propensity of Asian and Far Eastern companies to provide a skilled workorce of single men has made highly attractive Peninsula states for political and social as well as for economic

MIGRANT WORKERS IN KUWAIT, BAHRAIN, QATAR AND since foreign exchange and UNITED ARAB EMIRATES BY ETHNIC COMPOSITION IN 1970 AND 1975

	1970	1975
Ethnic origin	No. %	No. %
Arab	165,900 51.0	226,400 41.7
Asian Iranian, European and	83,900 25.8	247,700 45.7
other	75,300 23,2	68,400 12.6
Total	325,100. 100.0	542,500 100.0

Source: Birks, J. S. and Sinclair, C. A., International Migration and Development in the Arab Region (Geneva, ILO, 1980).

> TABLE 2 MIGRANT WORKERS BY NATIONALITY IN THE CAPITAL-RICH STATES, 1975 AND 1985

	197	5	198	1985	
Migraut workers	No.	%	No.	%	
Total	1,649,100	100.0	3,956,000	100.0	
of which Arabs Asians Far Easterners Iranians Furopeans and	1,236,600 277,500 14,600 86,100	75.0 16.8 0.9 5.2	1,236,600 500,000 1,179,400 70,000	40.5 16.3 38.6 2.3	
Americans	34,300	2.1	70,000	. 99	

Source: Birks, J. S. and Sinclair, C. A., Arab Manpower: The Crisis of Development (London, Croom Helm, 1980), table 20.7.

The wealth and prosperity of the capital rich states tends to deflect attention away from the capital poor Arab states. The sudden surge of remittances from migrant workers has triggered off a construction contemporaneously with that of their more affluent neighbours. But there has been a lack of the requisite manpower to effect construction projects, since the departed migrants tended to be those with these

skills.

The effect of sudden growth of the money supply together with shortage of labour in countries such as Egypt, Jordan, Syria, North and South Yemen, and Sudan has been spiralling infla-tion. The price of land and housing has risen incredibly.

Ironically, just at the time hen foreign exchange constraints were eased for these poor countries by much higher levels of remittances, so also and less competent than their did the oil rich states become colleagues abroad. more generous with their aid

affluence: desperately needing to develop infrastructure, these poor countries were unable to execute projects for which finance was assured because of labour shortages. Perhaps pre-dictably, but certainly surpris-ingly, these capital poor states began themselves to use Asian and Far Eastern companies for particular development projects.

It is extremely difficult to argue convincingly that the poor Arab states have gained much from their participation in the economic development of the oil rich states. The supposed benefits of remittances prove to be instead a cause of inflation, which is exacerbated by the shortage of labour.

The selectivity of international migration ensures that those more able and more skilled leave first. Inevitably those left behind are unskilled

This lack of skilled manpower and the poorer quality of the This created a paradoxical remaining workforce compro-

sation is particularly inadequate finance are not the scarce factors of production.

The final twist to the plight of the capital poor states is the likelihood of the return of many of their migrant construction workers, as their Asian competitors ease them out of the market. So at once remittances will fall and labour will suddenly be in surplus supply again. However, in the intervening decade little development will have occurred, and managing the labour market will

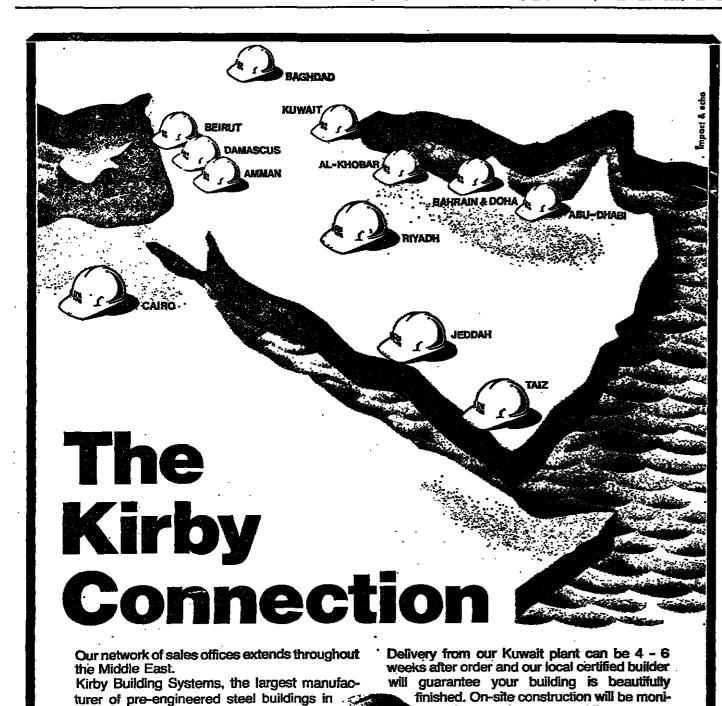
be more difficult. The question which large contractors and governments in the capital-rich states must ask themselves is how per manent the development is that is presently underway. If large enclave developments are constructed at Yenbo, Jubell, Ruweis, Umm Said, Jebel Ali and Shuaiba by Far Eastern labour and if industrial enterprises are manned entirely by expatriates who live as single men in work camps, then is the result development, or tem-porary growth?

As industrial developmen proceeds on the present lines, the possibility that indigeneous citizens feel estranged from modern economic development must grow. The legacy of past development in terms of the demographic composition of these societies has yet to be fully experienced. The process of settling, as single men become families of four (as they certainly will do over time) is bound to increase the sense of isolation among nationals, al-ready in a small minority.

The translation of a gener feeling of resentment against expatriates into political section brings into question every aspect of modern development However, there is little which can be done at this stage to change the path of development.

Stace Birks and Clive Sinclair

Dr. Birks and Dr. Sincher are at the Department of Economics, Durham University, They specialise in various aspects by Human Resources Bevelop in the Arab world.



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SANAA

### ARAB CONSTRUCTION IX

## Saudi market is world's largest for export contractors

SAUDI ARABIA is perhaps unique in that for the past five minute in that for the past five wealth from the Throne to the past or preoccupation of the body else. This has been the case for a very long time, but particularly since the reforms the proof of the late 1950s when Prince poor to \$22bn last year, the construction market in Saudi Arabia is almost certainly the largest in the world for export contractors. Yet they are gloomy about prospects in the flattice and planners in the Government insist that growth with tell last.

A good portion of the plan-ners attitude is wishful think-ing. For the period of the second five-year development from Government spending on affrastructure projects was the mover of the nomy. Manufacturing capaerry installed so far has been primarily for construction an the Third Plan, which will

be published in the spring, the Government is committed to developing productive sectors where double-figure annual inthe Second Plan, be a function simply of a rapidly expanding shown soon after the siege of workforce but of its increasing the Great Mosque in Mecca and productivity. Among strategies approved for the plan in December Municipalities is a static foreign labour force, were instructed to speed up with a marked shift from congrants of land for poor Saudis with a marked shift from construction skills to clerical and

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because the Government owed by the city, and its dis-accounts for up to 90 per cent bursement is eagerly awaited by of the market through fixed the local building industry. price awards: in what is still in Jeddah, for the past year, rather a primitive economy, the around 30,000 new flats and a higher the level of budget 2,000-flat public housing project expenditure, the greater the have stood empty while rents economic activity of all types. (for four rooms) have dropped Unfortunately, there are two contradictory impulses in the SR 25,000. For several business-Government's attitude and the men in Jeddah, rents are now plan, when it is published, will so low that property and house

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Saudi Arabian Monetary Agency encouraged land grants as an alternative to unstoppered civil

This transfer of wealth-happens in a variety of ways; from the simple award of a contract to a Saudi builder or joint venture, through the dim world prices looks large against the of speculative compensation and SR 405bn of the 1975 plan; commissions down to the seragainst the total spending of vices the merchants provide over SR600bn in the last five foreign workers and construct years, it means no real increase the foreign workers and construction for the last five years, it means no real increase venture, through the dim world of speculative compensation and tion firms. Even more directly, the Government has made available SR 38bn (\$9.5bn) in interest-free mortgages from the Real Estate Development Fund to those who have received land or, in the case of many bedouin, have obtained title by squatting.

### Speedier land grants

That the Government is not es in GDP will not, as in yet entirely willing to dispense with such direct transfer was tensions in the eastern province to build houses; earlier King the kingdom are watching the Government even more closely than usual. This is not companied in the order of SR 6hm be companied to the ord

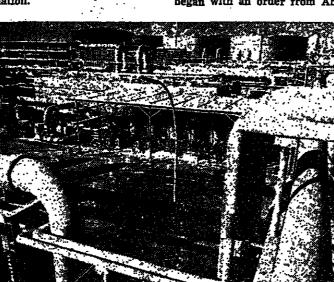
from about SR 40,000 to not fully reflect this. The first is building are no longer seen as is that the domestic construction market has been the major lords have held their properties

empty against the hope that the Government would raise spending to bring in more foreign

companies.
Yet the Planning Minister, Sheikh Hisham Nazer, and the Finance Minister, Sheikh Muhamad Asa al-Khail, insist that this will not happen. The goal for spending over the next five years has been approved and Crown Prince Fahd has implied that it will not be raised because of the winter's domes-tic tensions. The figure quoted by officials of SR 830bn in 1979 even on official estimates of in-

mitted first to sit on the budget, then to delay or scale down new projects and, finally, to allow Ministries to hold back payments to contractors for months on end.

By the budget session of June 1978, the Finance Ministry had the public support of Crown Prince Fahd, and most senior royal officials. A ceiling was placed on Ministry spending and clients at least had to affect cost consciousness. For example, the Military Procurement Office of Prince Sultan's Defence Ministry made three rather than four quarterly payments on some ongoing projects during the fiscal year that ended last May. The present financial year began with an order from Aba



Saudi Arabia offers big opportunities for desulination and water development. This desalination plant at Jeddah produces 38,000m cubic metres of water daily. The civil sub-consultant was Sir William Halcrow and Partners. Ewbank and Partners were consulting engineers

hudgeted and actual expenditure came into line. At the lasted right into this year, time, the constraints were simply the ability of the Government to define projects and award contracts and of contractors to bring in materials and labour. In an atmosphere of urgency and low competition, construction costs could vary construction costs could vary from SR 3,000 per square metre of housing to SR 7,000. Tendering was sloppy and the urgency such that bidders lists, even from the U.S. Army Corps of Engineers at the Defence Ministry, might comprise only two or three names.

in the market was short for the second half of 1979. With local interest rates up at 11-13 per cent, contractors who might have been willing to wait on the eventually started finding the cost of waiting prohibitive.

Second, the slowdown in new

last, two years, the commit-ments made by the Government for physical infrastructure have been so large as to outstrip the current income of the

Alarmed at such a rapid

The first three years of the Al-Khail that no new contracts Second Plan saw exceptional be signed at all and funding was increases in public spending, held up. The restriction was but it was not until 1977 that lifted later in the summer, but the delays on payments have

This left contractors in considerable difficulties. Because of the slow payment, and because tended to disappear quickly to take advantage of deflationary interest rates abroad, liquidity in the market was short for the

Second, the slowdown in new cratic constraints were cleared, increase in competition for tion, at the airports, in telespending on construction got orders. The actual cost concommunications, at the indusquite out of hand. Mr. William scientiousness of most Govern- trial cities of Jubail and Yanbu C. Grindley, a senior American ment clients has been doubted; and in municipal services outplanner working with the but certainly the new curbs on side the major towns has yet to Planning Ministry, said in spending meant that clients be awarded. Meanwhile, the Houston in December: "In the were starting with a low bidder deterioration of the inter-

Korean firms thus picked up more than \$3.4bn in Government orders in 1979, considerably ahead of any other country. At the same time, the need to finance ongoing work excursion into deficit financing, through new advance payments (usually 20 per cent in the case of the Government) has made the competition for new work

The cost deflation in basic engineer now consulting with on a vast programme of Korean companies, apartment schemes now go out for as little as SR 2,000 per square metre against as much as SR 7,000 that last price, competent con- province construction market, tractors will refuse to bid," he said in indication that even Korean firms can bid no lower.

### New toughness

clients are less and less willing to permit extras on contracts or allow renegotiation. This has meant that contractors who have been willing to losslead" on a first contract in the hope of extras and a second phase have found these have not materialised. This is par-ticularly serious for those companies that saddled themselves with a large commission pay-ment on a first fixed-price contract in the mid-1970s; the leader of the Eurosystem Hospitalier consortium, which filed for bankruptcy in Brussels in the summer, is one major example. The Ministry of Com-munications even called a 10 per cent performance bond (against a Swiss company): while perfectly justified, the action seemed symptomatic of a new toughness. new toughness.

At the same time, contractors from countries outside the dollar bloc have found it no easier to protect themselves against the declining value of the dollar and the Saudi rival. After revaluing the riyal against the dollar reserves diminishing faster than necessary as contractors exchanged appreciating riyal contracts. Since then, SAMA has been

keen to keep the riyal low while Kingdom, and this has neces-Ministries have been less will-ing to renegotiate exchange related to construction. ing to renegotiate exchange losses. In November, the Finance Ministry ordered that

foreign firms be paid in dollars; not riyals; but this move was designed to curb the rapid loss of market liquidity to deposits abroad and non-dollar contrac-tors will be no better off. It has tries will still pay in Swiss Francs or Deutschemarks, but contractors from these countries are not hopeful.

The curb on spending has also

had its effect on private construction. Overcapacity in hotel space in the eastern province, and in Riyadh and Jeddah, has been reached earlier than expected. The tendency of Saudi businessmen not to think anti-cyclically—a failure most remarked on by the merchants themselves—will probably mean that hospitals in Jeddah, supermarkets and this year's "fad, integrated shopping centres, will go the same way. These will be poor prospects until at least 1982 unless, of course. spending is freed.

With revenue vastly increased this year because of the oil price rises (an official estimate is \$80bn) and inflation at around 10 per cent in the eastern province. Aramco survey and much less according to the Government, it would seem that the planners could afford to stimulate the economy through construction.

On the contrary, officials argue, the increased revenue will disappear the way of the 1974 balance of payments sur-plus (\$24bn) if "fiscal discioline" is not introduced.
Expenditure on construction in the Third Plan in current prices is not likely to exceed expenditure in the last five years," Mr. Grindley said. An independent survey produced by Plantecon (Overseas) Research suggested that spending on private and public building would peak at \$24bn this year, then decline by 15 per cent over the next two years. This will inevitably leave surplus capacity in materials, precasting and stressing plants and heavy equipment.

As an indication of Govern-ment thinking, Mr. Grindley said that certain prestige projects now at the design or bidding stage had a less than total chance of being built and there would be a shift toward renovation, as the Finance Ministry has done with its own Riyadh headquarters, and maintenance.

### Rather different

Reality will probably be some what different. Although Aba Al-Khail has said that the bulk the State's commitments to infrastructure is now in hand, national balance and the shock of domestic disorder have suggested several new projects, which are now under active discussion within the Government.

A shortlist of these projects would include: the longdiscussed Bahrain Causeway; investment National Guard; a programme" in the oilfields; looping of the East-West pipeline and a new pipeline to construction has been remark. Oman and far greater concen-able. According to Mr. George tration on the countryside. Gray, a former Corps district Meanwhile, Aramoc has started pressure maintenance and crude desalination in the Ghawar, Safaniya and Berri oilfield which will not be reflected in four years ago. A recent award the budget. Just as the for prefab schools in the Government's decision to cut country went for SR 1,300 per facility capacity targets in 1977 square metre. "Obviously, at caused a slump in the eastern so the oilfield improvement and the development of fields in the Empty Quarter will generate considerable work right into the next century. Aramco is now experimenting with fixed-price Third, the Government contracts on large work.

The persistent problem of water shortages must also be tackled and there will be large construction opportunities in desalination and groundwater development

The large-scale construction market is probably saturated. With any number up to 50 names on a bid list, successful companies will be those who have gained the trust of clients or possess powerful Saudi sponsors. But most contractors are aware that the payment of commissions risks becoming an internal political issue and a firm was blacklisted for a short time in the summer.

American firms still complain bitterly about the burden of taxation, ethics and hoycott legislation they must operate under: the decline in market share from 9 per cent of Saudi civil construction to 3 per cent in the course of the Second Plan will not easily be reversed. British companies have main-tained only a wavering hold on the market, and two small firms went bankrupt in 1978 when spending was slowed. But the meant that Saudi and U.S firms are increasingly employing British managers in the

James Buchan



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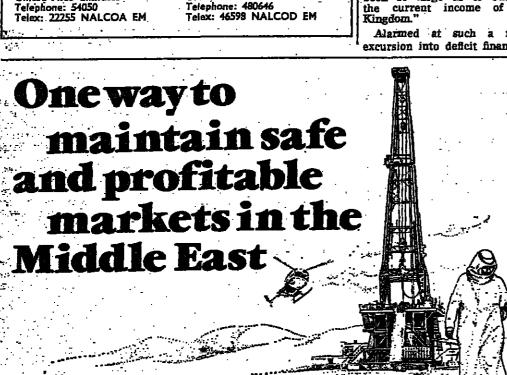
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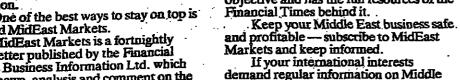
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the Bahrain Hilton, a visitor to tion activity would seem to be Manama can see under construc- at least commensurate with its tion three major hotels, a size and wealth.

"palace of justice" to house The trouble is that in the Law Courts and the Bahrain, as in the United Arab Ministry of Justice and Islamic Affairs, a new main branch for Chartered Bank, several office bandwagon. International con-

Further out of town, building projects include a \$10m sports stadium, a new headquarters for Bahrain Telephones, an ornate furniture showroom, govern-ment housing sites in seven or eight different areas, and dozens of private residential developments ranging from modest rillas to mini-palaces.

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So where, one asks, is the recession? much-discussed Bahrain is after all a very smul place, with an area of 255 square miles and a population of about 350,000. Its oil producrevenues are meagre by Gulf

Emirates (UAE), everyone jumped on the construction blocks and the beginnings of a sultants, designers and contractional tors gathered like bees around a honeypot. Profit margins in 1975-79 were said to be three times higher than in Britain, for example, where the construction industry was struggling through its leanest years since

### Fastest-growing

For companies like Taylor Woodrow, Costain, Laing and Wimpey, the Middle East was their fastest-growing market. At the same time, every local husinessman with an eye to a quick profit set himself up in the property developing or contion is declining and its tracting business. The sheer volume of work between 1974

WITHIN WALKING distance of standards. The level of construc- and 1976 meant that there were billion-dollar Saudi Bahrain financial capacity and expertise of smaller local enterprises.

Competition for contracts in

Bahrain grows tougher

Now sanity has returned. Office and apartment blocks no longer pay off in three to five years, and banks scrutinise project proposals much more closely. Lending to the construction sector has yet to show a marked fall, but this reflects the number of projects still to repay their investment rather than many new loans.

Under these changed conditions there are more construction companies in the market than the economy can reasonably support. A number. of foreign contractors, such as Comstock, have packed up and gone home. A joint-venture system-housing manufacturer, Tarmac-Nass, has ceased operations. And one or two undercapitalised, or poorly managed. local companies have gone to the wall.

But although a large number f public projects such as the Mina Sulman development, the container terminal and the water and sewerage projects will continue for years. Govern-ment spending was strictly conbut Mr. Ibrahim Abdel-Karim, the Minister of Finance, has be pleasantly surprised.

declared his intention of reactivating the economy with the allocation of \$1.3bn to social, industrial and infrastructure or eight years. It is intended

capacity will boost Alba's metal output to 170,000 tonnes per year by 1982, making the best use of the available plant at the sion for 15,000 new homes.

of the project, with contracts for the gas-turbine generators going to John Brown Engineering of Clydebank. An American company, Kaiser Engineers, has won the management contract for the potroom construction, and the rest of the work is now . loans. at the tendering stage. Bahrain Government has continental Constructions, has directed Alba to parcel it out in just completed the prestige as many small contracts as Chamber of Commerce building, possible, to allow local com- and French, British and Korean panies to compete.

### Joint venture

Just as this industrial project comes to an end, the \$350m petro-chemical plant, to be established as a joint venture between Bahrain and Kuwait, is due to begin. Plans are for a twin complex to produce ammonia and methanol, using the residue gas from the liquefied petroleum gas plant com-pleted for Banagas last month.

Main contractor for the LPG plant was Japangas Corporation, but although the major sub-contractor was Daelim of South Korea, site preparation and other civil work was carried out

Saudi Arabia. The Gulf Organisation for Industrial Consulting UBF has set up its own manage-has just completed a feasibility ment team.

UBF won its first contract for tonnes a year, but this, like the 514 Government houses at Isa

enough contracts to suit the causeway and the projected new category of "jam tomorrow."

ARAB CONSTRUCTION X

However, the causeway is ments were finally issued on November 28, to 21 of the 22 shortlisted contracting groups. No explanation was offered for the decision not to invite Hyundai. Indeed, no explanation was called for, since the list of pre-qualified bidders was never officially published.

Only one Bahraini company is in the running, grouped with Bin Laden of Saudi Arabia, a panies. But dozens more are hoping for some of the spin-offs, either in road construction, building a labour camp for an estimated workers, or sub-contracts on the causeway itself.

### Alternatives

Bids are due in at the end of May, but with each of the 20 contenders having the option to submit an alternative design to Sulmaniya Medical Centre have the all-steel bridgework protants, the forecast period of three months for evaluation looks optimistic if work actually trolled in the 1978-79 budget, starts in early 1981 and construction industry pundits will

projects over the next two years. to make available plots of land, This sum includes the \$120m on which borrowers from the expansion for Alba, Bahrain's newly-established Housing Bank aluminium smelter. Incremental can build their own homes to approved designs. Together with the Government-built houses and flats, there is provi-

most economic cost.

Ewbank and Partners of the UK have been appointed to manage the power station side

Isa Town, Bahrain's first new town which was launched in 1963, will have reached its planned development limits of 7,000 houses for about 35,000 people by the end of 1981. And the Ministry of Housing's threeyear programme to that date. representing an investment of about \$260m, will have provided a total of 2,000 homes and home

> An Indian company, Transcontinental Constructions, has companies are involved in the five-star hotel projects (the Regency, the Sheraton and the Diplomat). But when it comes to low-cost housing — which is not so low cost by European standards, at a minimum \$35,000 for a home in an apartment blockthe major force is Bahrain's catered for are tennis, squash, United Building Factories volleyball, basketball and ten-

Although the ownership is entirely local, including a 60 per cent Government stake after the company faced cash-flow problems in its first year of pro-duction, UBF adopted the French Camus industrialised building system, and retained a British company, Gastbaird, for the design, construction and Another industrial project on the distant horizon is an aluminium rolling mill, en member of the Selection Trust visaged as a joint venture with group, was severed in April, 1978 by mutual consent, and UBF has set up its own manage-

by 50,000 tonnes. Contracts have so far be awarded to two British companies, Ewbank Partners and John Brown Engineering

The huge Alba smelter complex at Sitra, Bahrain produces 120,000 tonnes of aluminium a year. The

Government is to fund a \$120m expansion programme over the next two years to raise capacity



working steadily ever since. Current production of precast concrete panels is 50,000 a year, and the 1979 workload comprises about 500 houses and 300 flats, at three sites in Isa town. Work has started on another 140 flats in Muharraq, for completion in nine months.

This is still some way below the factory's designed production capacity of 2,000 housing units a year, but further substantial Government contracts are expected, and UBF also hopes to offer standard designs for borrowers from the Housing Bank.

Meanwhile, UBF is building two schools and is working on two traditional construction projects using pre-cast com-ponents. These are an \$8.5m radio station and a sports stadium worth \$10m. The Muharraq Sports Stadium designed by Module Two includes grandstand and terrace accommodation for 8,000 spectators, a children's recreation centre, a 25-metre indoor swimming pool and a main sports

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town in 1977, and has been Hotel has been manufactured at UBF and the factory has also provided wall panels for five

fire stations constructed by the Cypriot company Zachariades. Strict quality control of materials results in a low rejection rate of the precast concrete panels and, despite the difficul-ties of curing concrete in the Gulf climate, the manager claims that UBF sets a higher standard than is usual in Europe.

A local company making concrete blocks, components and asphalt, Haji Hassan Bin Ali, is working to full capacity but the National Import and Export Company, which brings in 99. per cent of the island's cement. reports a 25 per cent drop in

imports against 1978.

A number of new projects have been aumounced for the 1980s, including the nucleus of a Gulf university, a \$40m tower, block for the Sulmaniya Medical Centre and, possibly, the long-awaited Cultural Centre. More important perhaps for local contractors is the "bread and butter spending" on schools. ming pool and a main sports roads, drainage and other hall seating 1,200. Other sports services, which is expected to remain at a high level for some time to come.

Mary Frings

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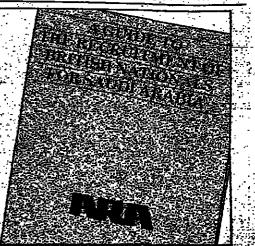
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Apart from the official laws covering. everything from visas to social insurance. taxes. labour laws and work permits, the booklet also deals with social customs and babits with which the employee must comply, including such aspects as dress, alcohol, food and religion.



# Uranium: a lawyers' field day

BY PAUL CHEESERIGHT

THERE IS so much litigation going on in the international uranium industry that U.S. produrers are alleged to be spend-ing more on lawyers than on exploration. More than 60 propanies are involved around the world. The liabilities could run into billions of dollars.

nati. 55 100 .

\*

Optimistically, the law suits series could be finished by the end of the 1980s, but the effects of them will he felt at least until AD 2000. Already there have diplomatic repercussions. in September, 1975 the group pleaded commercial impracticability. As a reason for not supplying U.S. and other utilities with 80m. It of uranium 65m It of which it did not have

Between 1966 and 1974 the group had been offering sup-plies of uranium as an inducement to utilities to buy its power plants. What it had not been doing was fully covering its obligations. During this period uranium prices were \$6-8 a pound, but by May 1975, they had risen to \$35 a pound.

The U.S. meanwhile had been cut off from the rest of the world by an official embargo on uranium imports. This embargo was only lifted in 1977. The embargo, at least until uranium prices started rising in 1973,

Deprived of the world's utilities. bargest uranium market, pro-

conditions. The club is now not entitled to their full claims house's Chicago action. In known among the lawyers as for relief. the cartel.

tiranium and the existence of the cartel is at the heart of the interlocking law suits overshadowing the whole industry. This litigation falls into three

The first involves the reaction of the utilities—27 in all from the U.S. and Sweden which claimed that Westinghouse had an unconditional obligation to At the centre of the growing deliver the contracted supplies to diffee of litigation is Westing of uranium. The second involves the Westinghouse defence, power plain manufacturer and which turned into a legal enince of the transfer of the Westinghouse defense power plant manufacturer and which turned into a legal powerful middleman in the counter-attack against both international uranium market. U.S. uranium producers and international companies in the "cartel." The third involves cases which have sprung up because of "cartel," notably related to Gulf Oil.

### Settlements

Eventually, 17 law suits were brought by utilities against Westinghouse in a Richmond, Virginia court. The judge urged settlements out of court. The process of negotiating started in 1977 and 14 cases have been firmly or tentatively settled.

The settlements have usually involved cash payments, agree ments on uranium supply, the provision of services and equipment at below normal rates and, in some cases, the transfer of rights to certain uranium was, intended to protect the properties. They have covered visibility of the domestic more than two-thirds of the uranium supplies claimed by the

But Westinghouse failed to ducers in Australia, France, convince the Richmond court Canada and South Africa formed that commercial impracticability a club which entered into what or force majeure should excuse were called "informal market it from performing its con-ing arrangements." It worked tractual obligations. On the On the between 1972 and 1975, when other hand, the court in late it became irrelevant to market 1978 also said the utilities were

The Westinghouse plea of The relationship between commercial impracticability car. Westinghouse's short position in ried with it the idea that unforefrom meeting its obligations. These circumstances were, in effect, the activities of the "cartel." Thus the group, seeking compensation from what it attack in Chicago.

In late 1976 it filed an antitrust action, demanding punitive Zinc group companies are caught tive case is scheduled for trial in 1981, but there was a pre-trial bearing on January 16.

The position has been made action. mere complicated by the fact Australia, Canada and the UK, Fuels of South Africa, Pan-Oil and Sobio continental and Queensland Exxon Nuclear. Mines of Australia), supported by their Governments, refuse to Package deals Chicago court.

A year ago the Chicago court whether they should be called heard. The case is now in the power station packages

enjoined by the court not to have been broadly the same.
move assets out of the U.S. Because Gulf has been involved without giving Westinghouse 20 in the "cartel" and therefore days' notice. And Westinghouse knew that prices would rise, is reported to have engaged they should be excused from teams of lawyers to identify the meeting their obligations to U.S. assets of these defendants. supply General Atomic.
In the meantime another case The Gulf-United Nuclear case has been merged into Westing- has now moved to the New

November, 1977, the Tennessee Valley Authority, which had been at odds with Westinghouse ried with it the idea that unfore-seen circumstances prevented it against three U.S. and 10 foreign

Again it was an anti-trust suit citing the "cartel," but it sucked in more international was losing through the Rich-modd court, staged its counter-group, and Uranex of France. But other actions were already proliferating within the

U.S.—and this is the third series damages, charging that 17 U.S. of cases. Gulf Oil is at the uranium producers and 12 centre of them. The group had foreign producers had conspired been the subject of a federal to fix prices and withhold sup- grand jury anti-trust investigaplies from the market except at tion and at the end of 1978 had United Nuclear high prices. Seven Rio Tinto pleaded noto contenders—the Utah Internation case was settled out of court but up in the action. The substan- Gulf did not admit guilt. It paid \$40,000 on the basis that this would be easier and Mexico Supreme Court, without cheaper than fighting a court a direct hearing on the

Yet Gulf's links with the that a group of foreign pro- "cartel" through Gulf Minerals ducers (RTZ companies in Canada led to actions involving United Nuclear Ranchers Ex-Anglo American and Nuclear pioration and HNG Oil, Reserve Oil and Sohio Petroleum, and

Gulf, through its General found them in default. Legal Atomic joint venture with a argument is now centred on Shell unit, is engaged in the Shell unit, is engaged in the power plant business and like Westinghouse had been offering to pay damages because of this, Westinghouse had been offering before the substantive trial is uranium supplies as part of

But the producers have been suppliers, and their arguments had an effect on the industry.

FROM THE U.S.:

Atlas Denison Mines (U.S.) **Englehard Minerals and Chemicals** companies: Uranerz Canada, a Federal Resources subsidiary of a West German Getty OH Kerr-McGee

Reserve Oil and Minerals Ric Airon Corporation Western Nuclear

FROM UK: Rio Tinto-Zino RTZ Services

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FROM CANADA:

Denison Mines Gulf Minerals Canada Noranda Mines

FROM SOUTH AFRICA:

Conzinc Riotinto Mary Kathleen Uranium

a direct hearing on the "cartel" issue. It has been made the more complex by a AD 2000. difference between the state and federal courts about whether rights of arbitration between the contesting parties exist. The dispute with Ranchers and HNG has been settled out of court. The other cases await trial.

DEFENDANTS IN WESTINGHOUSE'S GARTEL

LITIGATION IN CHICAGO

In short, the arguments about the "cartel"-whether it did push prices up and whether its actions could have had any effect in the U.S., protected by the import embargo -remain to ranium supplies as part of be tested. None of the plethora ower station packages.

The companies with which it crucial issue. Yet the different appeal stage and a judgment is The companies with which it crucial issue. The companies with which it crucial issue. It is in litigation are uranium series of actions have already

The first and most obvious has been the cost to Westinghouse of the settlements it has reached with utilities. The cumulative pre-tax charge since 1977 of \$549.3m or \$286.2m after tions will cost the group, on its own reckoning, resources worth net \$287.7m between now and funds.

Yet, the group's position in the uranium industry at large does not seem to have been weakened. Industry executives suggest that, on the contrary, it has been strengthened because the duration of the settlements it has reached with the utilities ties them to it for years to come. Second, although producers and consumers have continued

to trade uranium, there have been hiccoughs in the flow of payments because of Westing-house's success in blocking the movement of funds to defaulting Chicago defendants. Last August Westinghouse

won an injunction to stop payment of \$22.7m from the Tennessee Valley Authority to Rio Algom, the RTZ group's Canadian unit, for uranium supplied under a 1974 contract. The settlements have led to a TVA, is in any case, seeking to repudiate this contract through the courts and is itself tax against concern profits. To subject of counter-claims by Rio discharge remaining obliga- Algom.

ing that the TVA has entered a conspiracy with Westinghouse to damage it by the repudiation of

Further, there has been a hiatus in the payments due to Kathleen Üranium. another RTZ group company, this time in Australia, from Commonwealth Edison, the U.S. utility. But the difficulties have been resolved

Another case where the flow of funds from the U.S. has been interrupted again concerns Rio Algom. A payment of \$1.6m from its Atlas Alloys subsidiary has been placed in a court bank account, following the grant to Westinghouse of an injunction stopping the movements of

The third effect of all the litigation is less tangible. Industry executives unconnected with the law suits feel that the reliability of supply contracts has diminished. They note that U.S. buyers dealing in good faith with foreign producers often have behind them political bodies—the public service commissions—which introduce an unknown factor into normal contract negotiations.

### **Political**

The hearings into the uranium industry of the House of Representatives commerce committee's sub-committee on oversights and investigations and the inquiries of the New York State Assembly, have shown how the existence of the cartel and anti-trust law more generally have become political issues. This uncertainty seems to

have spread into the relations between US and foreign producers. Industry specialists spring.

The two apparently separate issues have come together with the part of U.S. groups, the TVA asserting that the supply contract was tainted by Rio Algom's participation in the "cartel" and Rio Algom declar-

Such unease, however, is likely to pass away gradually. During tempers over the Westinghouse affair have cooled, especially as there is no longer the same presnuclear reactor building programme has slowed appreciably since the mid-1970s. The litiga-tion is something which rumbles in the background.

But the international diplomatic effect of the litigation will be more lasting. Resentment about U.S. attempts to extend its anti-trust jurisdiction outside its own borders has grown. The "cartel" did not after all operate in the U.S. and it was supported at the time by governments.

Westinghouse's Chicago action during the last year or two has brought the governments of the U.K., Australia, Canada and France springing to the defence of their national companies: They have submitted documents urging the court not to impose damage judgments on the defaulting defendants without hearing the main trial first. They have deprived the court of documents needed for the main trial.

The case has acted as a stimulus in the strengthening of national barriers against U.S. anti-trust investigations and judgments. Canada, Australia and the U.K. have all in recent years taken measures either to prevent the movement of documents and witnesses to the U.S. or to make anti-trust judgments unenforceable in their own ter-ritories. The latest manifestation of displeasure with U.S. antitrust policy has been the in-troduction in the UK of the Protection of Trading Interests Bill, expected to become law in the

### **Letters to the Editor**

**Condemning** Russia

From Mr. A. Fergusson, MEP jor West Strathclyde In his report (Jánuary 17) of the European Parliament's debate on Afghanistan - Euro MPs. bicker over censure"-vour correspondent Giles Merritt says that the Parlia-

stand year partied by "in-effectual hand-wringing and political jobbery." I do not think he can have resolution, condemning Russia direction, and invoking economic same. I believe that the accountancy tions, which even the French profession, led by the chartered

many hours on Tuesday and thing then the Government will Wednesday trying to find a itself step in with its own "recommon resolution to which all commendations." This would, in European Parties (less the eyes of many professional French Communists) might put accountants, allow the Government names, I must assert that ment to get its toe in the door no hand-wringing toek place, ineffectual or otherwise. The chaps running the large extent of the agreement, from audit firms receive remaneratively. far Right to far Left, strongly tion far in excess of what they to condemn Russia and call for could command in industry.

Who can blame them for not remarkable. The desirability wanting to keep the status quo? of maintaining their unanimity If the articles on inflation was self-evident. A rare degree accounting in the financial of understanding between parpress are typical then there are of understanding between par-ties often at odds with one an-other was apparent in those support exposure draft 24 pro-negotiations—and it seemed to be worth spending all the time be worth spending all the time we could in working out a common text: a process which your correspondent chooses to call "horse-trading."

The attempt, however, though maintained even until the debate was over, proved fruitless. The Left, regarding the preservation of detente as their top priority, could not bring themselves to call either for undefined economic sanctions against Russia or reconsideration of the Olympic Games' site. Thus we agreed to differ, and the British Conservatives, the Christian Democratic parties and the European Liberals in due course combined to support and carry, the resolution which embodied a "shopping list" of economic measures for Foreign Ministers to put into effect.

It is true that this resolution was passed in the wake of an unedifying spectacle in which (aided by the break-down of the electronic voting system) various extremist factions, and those like the Gaullists who are opposed to the Parliament's meddling in international affairs, did their best to reduce the Assembly to chaos. To me this is a measure of the impor-tance such elements accord to the Parliament - and no one could say the spectacle was boring. I suspect that when-ever two fidal waves of highly charged political feeling crash against one another in a multilingual, multi-Party Parliament which does not have the tradition of discipline of say, the House of Commons, there will always be a lot of froth and

sters have chosen to shrink.

not mean what your correspondent thinks it means-is a pity. Adam Fergusson. Ladybyrn Maybole Ayrshire.

Inflation

accounting

From Mr. J. Wooller Sig.—In answer to Mr. Ray-man's question (January 16) "Is ment's attempts to take a firm. inflation accounting an academic confidence trick?" I would suggest that he should look elseunderstood the events of last where for the guilty party. Tuesday and Wednesday in While most academics would Strasbourg. In contrast to his argue in favour of inflation account, the Parliament finally counting it is doubtful whether passed by a large majority a the hig push is coming from that

Press noted was substantially accountants, is conscious of a stronger than the stand taken need to be seen to be doing earlier in Brussels by the something on inflation account-foreign Ministers of the nine. ing. There is a feeling that if As one of those who spent the profession does not do someof ED 24 can be positively mis-leading and that historic cost accounting often gives more

satisfactory results. Few academics seem to argue against the methods advocated by the grand old man of acaccounting — Professor Will Baxter. His system may be a little more complex than ED 24 but it is logical and is much superior to any of the other systems yet advocated. Were industrial organisations allowed to choose between tax based on the HCA system or on the Bax-ter system, I am confident that the majority would quickly learn to master the Baxter

Jeff Wooller, 504 Queen's Quay, 58 Upper Thomes Street, EC4.

### Pressures on New Zealand

From the High Commissioner

of New Zealand
Sir.—It is gratifying that the
Financial Times should have seen fit to devote its second leader on January 18 to the economic pressures affecting New Zealand. These are difficult town of Orewa where he custom-enough and too easily lost sight arily takes a summer holiday, of behind events of more immediate or global importance. One wishes, however, that your treat-ment of the subject might have the subject might have been better balanced and even, dare I say it, more accurate.

some of these, notably a high rate of inflation and a continuing Muldoon, as Prime Minister, The fact remains that the balance of payments deficit, gives many speeches on every parliament roundly expressed persist. Contrary, however, to subject under the political sum its anger and determination on the implication in your leader. His views and those of the New anger and determination on the implication in your leader. His views and those of the New a major change before the expended of most-Europeans in a that these have come about Zealand Government on New pected general reform of combanding the state of the company in a company tax takes place—and, even it has once again (as with the they are areas on which problems, and the policies then, no reason why any new that there is considered to deal with them, are system of depreciation on inthe Company of Ministers in stantly focused. To talk of a not hard to find the considerable of th the Council of Ministers in stantly focused. To talk of a not hard to find. The occasion centives should exclude finandemanding measures from which collectively those Ministers in stantly nonsense. in which fine Prime Minister John B. R. Sheldon out terms of trade did fall by could reasonably choose to focus 16, St. Helen's Place, EC3.

adjustment on the New Zealand economy-an adjustment that lowered per capita New Zealand incomes in relation to those of other countries very substan-

level that allows only slow real growth. The numbers of un-employed rose rapidly up to 1978 human, social and economic but have since stabilised at resources that justify taking an about 2.5 per cent-not the 6.2 optimistic view of its future. per cent you mentioned. The L. W. Gandar. current account deficit in the New Zealand High Commission. balance of payments has been New Zealand House, reduced from around 14 per cent Haymarket, SW1. of GDP in 1975 to around 4 per have also recovered significantly from the trough of 1975-76 although the current world economic outlook and recent oil price rises will probably reverse

this trend.

Referring to the impact on New Zealand of increased oil prices you neglected to mention Government decisions recently taken will halve the country's dependence on imported liquid fuels within a few years and will also generate significant new export earnings. The basis for this development will be New Zealand's natural gas resource which is not small, as you state, but large by world standards. Incidentally our coal reserves, also described as small, are of the order of 3bn tonnes.

These resources, together with yet untapped hydro-generating capacity and huge fast-growing forests provide the basis for an optimistic view of New Zealand's economic future, even if the short term view is clouded by the prospect of further international recession and difficulties in marketing some of New Zealand's agricultural products, particularly butter. (Not, inci-dentally, lamb or wool which at present are traded freely in almost every country in the world, though the future introduction of an EEC sheepmeat regulation could require one to qualify that.)
It is completely misleading to

speak of "a disastrous erosion of support" for New Zealand's present National Government The Christchurch Central byelection which you quoted took place some six months ago. On the other hand, the state of the Government's popularity as reflected in the most recent public opinion polls is slightly ahead of that of the Opposition, while the level of personal sup-port. polled by the Prime Minister is just twice that voiced for the Leader of the Opposition. Mr. Muldoon has, for the last ten years, established the practice of addressing the local Rotary Club at the small seaside

and giving them some personal reflections on factors affecting New Zealand's future. The good Rotarians of Orewa would, I am sure, be flattered to learn that that informal occasion was New Zealand has had more styled "A state of the nation than its share of economic address" by so famous a journal difficulties during the 1970s and as the Financial Times. The fact is, however, that Mr.

To dismiss this as the result 40 per cent in the two years attention on certain aspects of of political jobbery—which does following the 1973-74 leap in oil New Zealand society and the prices. This forced a sizeable impact on it of world events, without suggesting that other domestic factors were unimportant. A leading article in the Financial Times devoted to the New Zealand economic tially. What your leader failed situation is, however, a very to point out is that New much more rare occasion and Zealand has undergone a con- one in which it would therefore siderable adjustment and that seem all the more important to the level of economic activity convey to your international has been stabilised, albeit at a readers a balanced picture of an economy still beset by a number

### Future of leasing

From the Managing Director, First Dallas Leasing

Sir,-The Lex column review (January 15) of export leasing implied that reform (or the ending of) first year allowances for financial lessors was long over-

On the basis of experience of tax-based leasing in a number of countries, including Canada, Australia, South Africa and the United States, I have reached the conclusion that the losers in reforms which restrict such lessors are lessees.

The straightforward rules of the 1971 Finance Act have engendered a highly competi-tive business under which lessors make reasonable returns (equivalent to yields on lending) and tax benefits are passed to lessees in the form of reduced rentals. Financial lease rentals currently (on average) contain interest at roughly half lending rates—which is what you would expect; where half a lessor's funds cost him nothing. Lessors used to make higher returns (though not unduly high) but competitive pressures have eliminated these for the last two or three years.

If tax benefits were un-reservedly restricted to operational lessors, a whole group of lessees would lose a valuable option and be deprived of an investment incentive which, in many cases, they cannot obtain by buying themselves. Lessees are frequently new companies or projects which do not have capital or profit record to benefit from tax incentives and the removal of financial lessors might significantly adversely affect such new investment. Operational leases also play an invaluable role, but only for users who want shorter terms at higher costs and less res-

ponsibility for equipment.

The Revenue's rules for export leasing very sensibly exempt operational lessors from their equally sensible ban on 100 per cent allowances for foreign to foreign leasing. To exempt them they needed to define them. Unlike the Lex columnist, I see no reason to be the state of the sensor to be sensored. believe that this rule presages any other developments.

The present leasing system

has survived nine years with

just a few corrections to get rid of abuses. I see no reason for a major change before the ex-

### GENERAL UK: Sir Keith Joseph, Industry Secretary, speaks at Press Club

lunch, London. Special Trades Union Congress conference on economic strategy and resistance to the proposed Employment Bill, London.

First formal meeting of the Commission of Inquiry into the constitution of the Labour Party, Final day of Financial Times conference on the 1980 Euromarkets, London.

Mr. Denis Healey, Shadow Chancellor, addresses General and Municipal Workers' Union conference, London. General Council of British Shipping statement on prospects for British shiping in 1980.

### **Today's Events**

British Overseas Trade Board PARLIAMENTARY BUSINESS conference on trade associations and exporting, London. Sir Peter Gadesden, Lord

Mayor of London, lunches with Glovers' Company, Cutlers' Hall, EC4. BP tanker drivers' delegate conference.

Overseas: EEC Agriculture Ministers meet in Brussels. One-day national strike in the Irish Republic in support of

PAYE reform. Mr. Li Qiang, Chinese Minister of Foreign Trade, in Japan to discuss bilateral trade (until January 30).

House of Commons: Competition Bill, remaining stages. Motion on the European Community Documents on European Court of Justice.

House of Lords: Reserve Forces Bill (Consolidation measure), committee. Papua measure), committee. Papua New Guinea, Western Samoa and Nauru (Miscellaneous Provisious) Bill, third reading. Motions to approve Southern Rhodesia (Legal Proceedings and Public Liabilities) Order, tions, 1980; Child Benefit and

Adjustment of Rates) Amendment Regulations, 1980, OFFICIAL STATISTICS

Cyclical indicators for the UK economy (December). employment (January (January — provisional). Unfilled vacancies (January—provisional).

Flual dividends: Ashdown Bootham Kilgour dividends: Jones (Holdings).

This announcement appears as a matter of record only



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Fuji Bank (Schweiz) AG Lavoro Bank AG Noreco Finanz AG Turis AG

W. H. Beglinger AG Finanzgesellschaft

Agent Ultrafin AG COMPANY RESULTS

Investment Trust. Engineers. Lincroft Group. Interim div Amber Day Holdings. Stroud Securities. MFI Furniture Group. Benjamin Priest and Sons Holdings. Scottish English 1979; Dangerous Substances and and European Textiles. Interim Preparations (Safety) Regula-figures: D. F. Bevan Holdings. F. Wrighton and Sons Associated Social Security (Fixing , and Companies. Zetters Group.

The Lex column takes a look at the paradox of the

current financial position where short-term money rates are shooting up but long-term gilt-edged yields are falling. Sterling

continues to get stronger but, as vesterday's DoT figures show,

companies remain in serious financial deficit. On the com-

pany front Lex looks at Alexanders Discount which has been

pushed into losses by the rise in interest rates over the last year. Meantime BOC is disappointed with its UK profitability

and proposes in its annual report to dispose of its peripheral UK assets. Also involved in a disposal is the Gleves Group

## Alexanders hit by MLR rises

and transfers from contingency sell the balance "at the right reserves, compared with profits time." of \$200,000 previously.

The fall in MLR early in the year enabled the company to make some profit, but the increases in June and November resulted in heavy depreciation and trading losses.

These losses have been met by a reduction in both published and inner reserves. After a transfer of film, general reserve stands at £4m (£5m).
In view of the cyclical nature

of the company's business and the large retentions of previous years, the dividend total is held at 16,001p net per £1 share, with a final of 11.501p.

Profits carried forward were

£421,000, against £1.46m a year Sec Lex

### Director quits B and O (Retail)

Mr. Roger Heminway has resigned as a director of B and Q (Retail), the D-I-Y supermarkets group which came to the market eight months ago. His departure was described as "amicable" by

Mr. David Quayle, chairman. Mr. Heminway said he wanted to devote himself to other business interests, notably property development, "I was beginning to lose interest now that B and Q is now just another multiple retail outfit, and felt obliged to Mr. Heminway, 43, joined the

company in 1974. He was responsible for B and Q's Kent operations but lately concentrated on site acquisition in south-east England. At B and Q. Mr. Heminway

Tough year for

**John Williams** 

-but better

prospects

difficult and disappointing year. Chairman Harold

E. Williams referred to both past problems and future

prospects in his recent statement. All companies were

affected by both the transport drivers and engineers

disputes and these, together with rising costs, put margins under extreme pressure. John Williams

Foundries Ltd., completing a major modernization scheme, were hit both by the disputes and late

delivery of new plant. Despite a reduction in trading

signs of a marked upturn with improved productivity

disappointed, with a trading loss of £83,000 compared to the previous year's record profit of £240,000. However, with order books now at a healthy level, the position is much improved. The steel stockholding

companies performed commendably well in the face

increased to £722.000 (£672.000 in 77/78) on record

Extracts from 1979 Report (in £000's)

256

Annual General Meeting Friday 25th January, 1980 Copies of Annual Report available from: The Secretary, Williams Way, Cardiff CF11UH,

1979 1978 1977 1976

21961 20216 18402 16670

1338

911

5485

1115.

360

7895

1209

191 191 110

656 1469

247 934

of the continuing recession with trading profits

sales of £12.8 million. The Board are maintaining

Net Assets Employed 8586

Turnover

Trading Profit

Profit before Tax

Earnings attributable

to the Shareholders

Ordinary Dividends

profit to £17.000 (£557.000 in 77/78) there are now

in the new financial year. Jonwindows Ltd

Reporting pre-tax profits of £256.000 in a

caused Alexanders Discount past month he has sold about 100,000. Mr. Heminway said he incurr a loss for the year of fixed to keep a fair number of shares but would probably the head of shares but would probably the head of shares but would probably the head of the head

### United Guarantee pays 5p

compared with f4.1m, taxable surplus of United Guarantee increased £315,780 to a record £399,810 for the year to September 30, 1979. The profit was struck this time after charging termination pay-ments of £30,000 to former

directors. Following the interim dividend of 0.232p per 5p share, a final of 0.268p makes a total pay-ment of 5p net, compared with a single 0.202p previously. Stated earnings per share rose from 2.847p to 3.936p.

First-half profits had risen from £192,540 to £307,884, but these included exceptional credits of \$57,664 (nil) for premiums received in respect of new busi-

ness development. Tax took £196,578 (£168,757) and net surplus emerged up from £147,023 to £203,232.

The group is engaged in the sale of lubricants, fuel oil and of plant and vehicles.

In a deal worth £400,000, four executive directors of Thomas Vale and Sons, the building and civil engineering company, have acquired the capital from Claxion and Garland.

The directors who have managed the company for the past seven years have been supported by the Birmingham area office of earned £15.950 a year. Industrial and
At the time of the flotation Finance Corporation. Industrial and Commercial

## **BOC** steps up capital spending programme

HIGHLIGHTS

£94.9m (£80.4m).

(£203m)

CCA profit is reduced to £65m

depreciation, £6m, cost of sales,

£15m and monetary capital,

net current assets of £208m

Total fixed capital expenditure was £132.2m (£133.5m) with 63 per cent of investment in the

gases business and a further 15

per cent in welding products and medical equipment. The main areas of investment were the

employed by the group fell from

56,200 to 48,600 with the biggest

decrease in Asia where employ-

ment fell from 6,800 to 900.

During this year several group

businesses will be under con-

siderable pressure and it will be

more difficult to maintain a

stable level of employment, the

business and the change of

Oxygen and Tanzania Oxygen

from subsidiary to associate

status account for most of the

change in the employment

Mr. P. W. Lee chairman of changes to better delivery without the effects of the

division will maintain its record

of increased profitability and turnover in the coming year.

Plans for the John Shaw wire ropes business have been laid

realistically and an improved

Lee Bright Bars is facing a

difficult outlook and demand is

unlikely to rise in the near future. Efforts will be made to

control costs and make the best

use of production facilities, says

on turnover of £67.45m against £63.42m. The outcome would

performance give hope that transport

says Mr. Lee.

Although 1980 does not look encouraging for the stockholding side, it is expected that the for the long term prosperity of

share.

results of the current year will strikes.

The sale of the ferro-alloys

Malaysian

UK, U.S. and Australia. The number of

chairman says.

Arthur Lee looking outside

traditional product range

result is sought.

Mr. Lee.

the chairman believes that a In the year ended September continuation of last year's 30, 1979, group pre-tax profits improving trend can be improved from £1.89m to £1.85m

the longer term, he believes that show an increase on last year,

DESPITE uncertainties, results of BOC International in 1980 should show an improvement over last year, shareholders are told in the annual report.

Sir Leslie Smith, the chair-man is optimistic and says the group enters the new decade with high hopes and great confidence. Group investment will increase this year, primarily in the U.S. where a new £70m graphite electrode plant will be built. This is the largest single investment project ever undertaken by the group.

Worldwide, industrial gases will continue to require further investment but expenditure in other areas may be limited by trading conditions, chairman savs.

Although the cash generated by operations continues to increase, the cost of new production and distribution capacity remains high. The UK, Australia and Brazil continue to be cash

This year, the UK is expected to reduce its cash demands on the group but the U.S. activities will absorb resources.
At September 30 last year, net

porrowings represented 42.3 per cent of total capital employed. This is a reduction compared with a year earlier and the per-centage is expected to fall in 1980 and is well within financial limits that the business can support, the chairman says.

Although gearing will decline, the absolute level of borrowings will increase. The majority of group's debt is long term d with the substantial additional facilities committed by its bankers, the group has adequate capital for its foreseeable needs this year.

The acquisition of Airco has led to the reconsideration of the group's product portfolio and to the decision to dispose of some activities to concentrate business and the resources on those with the Indian Oxygen, greatest long-term potential.

Arthur Lee and Sons, Sheffield-

based steel group, says that for

demand for the group's products

but the growth potential for some of them will be limited.

identifying special development opportunities both in and outside

the traditional areas of activity.

pessimistic about 1980 than

some forecasters but says this

may not be so if the group is adversely affected by iodustrial

disputes, particularly the present problems of the British Steel

conditions currently depressed in some products of Lee Steel Wire but

Improvements in quality of

Trading

chairman

there will be a continuing says Mr. Lee.

For the year ended September 30. 1979, the group reported pretax profits up from £66.5m to of £1.23bn (£1.2bn). Depreciation, including revaluation of assets on a

which has an interesting deal to return money to shareholders. Finally, Lex looks briefly at the latest developments in the Bowring saga. On the inside pages the interim figures from Mercantile House come in for comment. increased to £77.3m—had it been companies in the UK. There charged on a historical cost were no political contributions.

Salary of the chairman was

a special payment of £162,500 to a UK resident director following after adjustments for additional retirement due to ill-health. Meeting. Lyric Theatre, Hammersmith, W. February 27 £10m. The balance-sheet on a CCA basis shows fixed assets of £866m (£808m historical) and

£62.700 (£58,750) and there was

### Meggitt's year-end profits slip

Holdings, the Bournemouth machine tool distributor, fell from £478,316 to £425,454 in the year ending October 31, 1979, but turnover increased from £8.2m to £8.3m. Profit after all charges, includ-

ing tax of £233,810 (£151,136) came out at £191,644 against pre-tax profits were £152,000 (£181,113). Stated earnings per 5p share are 4.7p (7.6p), and a final dividend of 0.42p makes a total of

0.84p (0.6406p). company proposes to

During the year, the group introduce a profit-sharing made charitable payments of scheme, subject to approval being £329.000 of which £78.000 was by given at the annual meeting.

and engineering

"Nevertheless it is recognised

AMALGAMATED TIN

The proposed return to share-holders of Amalgamated Tin Mines of Nigeria (Holdings) of surplus funds totalling £1.17m.

equivalent to 15p per share, will take the form or a repayment of

capital of 9p per share, effected by a capital reduction, and two interim dividends each of 3p per

The first interim will be pay-able on or about February 19 and

## Mercantile House ahead and sees higher dividend

Palmerston Inv. ...int.

FOR THE half year ended October 31, 1979 taxable profits of Mercantile House Holdings, the money broking concern which came to the market last July, rose from fl-2m to fl-42m on turnover ahead to £9.42m, compared with £7.59m.

The directors are confident that results for the full year will be satisfactory—last year's profit

The net interim dividend per 25p sharei s 4p and an 8p final 25p share is 4p and an 8p final a 12p total. This compares with the directors' forecast of not less

the offer for sale.

Profits for the six months, which excluded any contribution from Woellwarth and Co., acquired last December, were subject to tax of £739,372 against 5878.957, giving an attributable stimulating balance of £879.769 (£549.308). Earnings per share are up from 11.25p to 12.03p and after dividends costing £220,000 (£128,832), the amount remaining was £459,769, compared with £420,476.

### • comment

One reason for Mercantile's cautious rating is that the com-pany did not make a profits forepany did not make a profits fore-cast at the time of the offer-for-sale last July. In these early days, therefore, the market can be forgiven for being rather wary, given R. P. Martin's announcement of a profits fall of more than a fifth for 1979-79 and the row that has blown up between money brokers and the banks. However, against the unfavourable background of rising inflation around the world, Mercantile's first half profits are 15 per cent higher and the company i sfeeling confident enough about the immediate future to top the dividend forecast for the year. In the company's favour been the volatile move-

ments in interest and exchange

Date Corre Total of sponding for payment payment div. year-1234 March 20 DAVY W Great Northern Inv. ... \$4.5 Leda Invest. ...2nd int. 245 Alexanders Discount... 11.5 Cray Electrus .....int. Dewhorst & Partners... Meggitt Hldgs. ........ Mercantile Hse. ...int. 0.42

Feb. 26 March 3

DIVIDENDS ANNOUNCED

Financial Times Tuesday January 22 1980

Raeburn Inv. ...... 14
United Guarantee ..... 0.27 Dividends shown pence per share net except where otherw \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. †Corrected—excludes 0.9p in respect of Shell and Unilever dividends. §Includes special dividend of 0.8p. § Total of 12p forecast.

broking monev activity-on which Mercantile earns a commission. The relaxation of UK exchange controls will also help to generate busi- people . whose ... conduct is 6.2 on average capital while the prospective yield is 11.1 per cent at 158p—unchanged but 2p

### Newman quits all Brentnall directorships

lower than the issue price.

Mr. John Newman, main Board director of Brentnall Beard (Holdings), the insurance broker with large Lloyd's of London interests, has resigned all his directorships within the Breotnall Beard Group including Brentnall Beard (Holdings). He

Mr. Newman was not available for comment yesterday but the company said in a formal statement that he had resigned

"pending the ontcome of the proceedings against him under the Lloyd's acts." Mr. Newman is one of str ness. With three months of connection with events which led Woellwarth full year profits of to large losses on the Sasse connection with events which led around £2.9m look on the cards. underwriting syndicate is being At this level, the fully-taxed p/e reviewed under statutory internal is 6.2 on average capital while proceedings at Lloyd's.

Lloyd's took the action after an investigation into the trading relationship of the Sasse syndicate, number 762, with Brentnall Beard International, a Lloyd's broking subsidiary of Brentnali Beard (Holdings).

### SHARE STAKES Ellioti Group of Peterborough Pentos has increased its holding through subsidiaries from 2.4m shares to 2,637,500 shares (20 per cent). Amalgamated Power Engin

ing-On December 7 Prudential Assurance Group notified that its interest was less than 5 per cent (previously 781,580 shares) (5.7 per cent). Scottish Amicable Life Assurance Society, and its subsidiary, has reduced its interest by 100,000 shares to 636,666 (4.64 per cent).

### Lloyds and Scottish outlook As reported on December 14, £16.27m authorised, but which

CONDITIONS generally do not seem to be favourable to group business, Mr. George Duncan, chairman, of Lloyds & Scottish, tells shareholders in his annual

Trading environment for a major part of the group's business continues to be unhelpful, significant reduction in interest rates, margins will remain under pressure, "until our fixed lending book has been adapted to the new conditions." until our fixed lend-

Mr. Duncan states that the group's ability to cope with difficult circumstances has been shown in the past, however. ' the group," the chairman states. time to do so in spite of the Meeting, Sheffield, February 15 considerable problems

L" proble	وسه	racing
PAIN	· .	
· ·	Price	
lancery 18	٠ %	+01-
Sanco Bilbao	209	+4
Sanco Central	226	+4
Sanco Exterior	211	+2
Banco Hispano	212	+4 -
Banco Ind., Cat	135	· 1
Senco Madrid	175	
enco Sentander		+4
Senco Urquijo		
lenco Vizcaya		+4
anco Zaragoza		
Oragedos	106	+2.5
spanola Zinc	58	
5038	59	+0.8
ial. Preciadis		
lidrola		
berduero	03	+0.5
etroleos		-3
etroliber	73	
nnefice	. 116	•

pre-tax profits of this financing, industrial and commercial con-cern, finished the September 30, 1979 year at £27.8m (£25.5m) despite a lower first-half. The total dividend is increased to 5.27p (4.40692p) net per share. Since the year-end Lloyds entered into a conditional contract for the purchase of James Talcott Factors of the U.S. and represents its first major investment in a wholly-owned subsidiary in that country.

As at balance date; future expenditure : totalled £19.1m (£4.1m), including

78 Airsprung Ord.

50 38 Armitage and Rhodes...
255 185 Bardon Hill ...
101 63 Deborsh Ord...
353 140 Deborsh 17-2% CULS...
92 88 Frank Horsell ...
129 100 Frederick Parker ...
156 105 George Blair ...
61 45 Jackson Group ...
153 115 James Burrough ...
300 242 Robert Jenkina ...
232 175 Tordey Limited ...
34 164 Twinlock Ord ...
35 70 Twinlock Ord ...
56 23 Unilock Holdings ...
54 42 Walter Ajexander ...
59 136 W. S. Yastes ...

† Accounts prepared under

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone: 01-621 1917

are reduced to £19.3m after adjustments for cost of sales £0.9m, depreciation £1.3m, mone tary working capital £9.2m, less gearing £3.9m The accounts also gives th emoluments ehairman's\_ £42,804 against £33,177.

On a CCA basis pre-tax profits

was not contracted.

At December 18, 1979 Lloyds Bank, and the Royal Bank of Scotland, each held 39.16 per Meeting, 8/9, Chesterfield Hill.

cent of the issued equity.

Price Change Div (p)

## Williams Lea 24% higher at £0.9m after second-half fall

the last quarter was less buoyant, while the group's largest subsidiary, Williams Les and Co. falled to make any contribution

TAXABLE PROFITS of Williams

Lea Group slipped from £511,000

its financial, confidential and of 1980, the group will have into £489,000 in the second six Government printing subsidiary vested £2.5m in new plant and wonths to September 30, 1979, was due to low activity in the it is now equipped with the most city market in the first half, up-to-date plant in each of its ing concern ended the year and the run-up to the installamain areas of activity, Mr. Donne

short-term prospects uncertain. EC, February 11, noon.

some 24 per cent higher at a tion of computer typesetting record £912,000, compared with equipment in November, 1979. He adds that the long term £735,000 previously. Turnover after three years of research for the full period rose over and development work.

22 per cent to £11.1m.

The chairman says the current of shares last October, stated Mr. D. L. Donne, the chair, year is likely to be challenging earnings for the 1978-79 year man, explains that business in for the group, with two major were 152.65p (93.1p), per 5p the last quarter was less buoyant, while the group's largest running-in costs of these addisis effectively lifted from 11.06p sub-division of the sub-division of the sub-division of the sub-division of shares last October, stated the last quarter was less buoyant, with two major were 152.65p (93.1p), per 5p the last quarter was less buoyant, while the group's largest running-in costs of these addisis effectively lifted from 11.06p sub-division of the sub-div tions, coupled with a decline in to 17p with a final of 11.47p.
the national economy, make Meeting, 234.248 Old Street,

### **NEW LIFE BUSINESS**

## Trident Life has good year

single premium business of Trident Life Assurance, a member of the Schlesinger Group, of personalised bonds showed more than doubling in 1979 from strong growth to about £700,000, £11.1m to £26.3m. The company sold £14.5m of income bonds last year against film in 1978, even though it has kept out of the very short-term sector of this

Sales of unit-linked bonds advanced by 16 per cent from £19.1m to £11.7m, boosted by the marketing of personalised bonds — for a single investor. These sales nearly doubled to £4m, mostly in gilt bonds. Of the normal linked-bonds, the most popular fund last year was the property fund.

Annual premium business was also buoyant in 1979 rising by 65 per cent from £3.1m to £5.2m. Mr. Alan Roberts, director and general manager, reported that the growth in this business had occurred across all sectors-pensions, savings and protection.

AMEV LIFE A good year for new business

THE BUOYANT income bond with single premiums more than market last year resulted in doubling from £1.35m to £3m and annual premiums tripling from £349,000 to £1.19m. Sales while the rise in annual premium business represented a surge in sales of linked savings plans.

> NATIONAL **EMPLOYERS LIFE**

Record new business and an increase in its reversionary bonus rate for 1979 is reported by the National Employers Life. New annual premiums rose by 3 per cent to £10m, against £9.69m in 1978, while single premiums were 30 per cent higher at £3.61m (£2.79m).

business, however, came entirely from a buoyant permanent health market, with premiums advancing 30 per cent from f2.5m to f3.24m. Individual life f1.6m to f1.9m, of which f1.2m business was slightly down at represented linked regular. £1.3m., while pensions business declined 5 per cent to £5.46m. The growth in single premium business arose entirely from an is reported by AMEV Life Assure expansion in pensions, particu-ance, a member of the Dutch larly from Additional Voluntary insurance conglomerate AMEV, Contribution schemes.

on with-profit contracts by 40p to £4 per cent of the basic benefit. But it is keeping its terminal bonus rate unchanged at 50p per cent of the basic benefit for each year's premium

CITY OF WESTMINSTER

The continued demand for its successful Farmland Fund enabled the City of Westminster Assurance, a member of the U.S. Sentry Insurance Company to nearly dealble its single premium business. Total cincia armenium lew annual premiums rose by a nearly usually its single premiums or cent to £10m, against £9.69m business. Total single premiums or 1978, while single premiums rose by 80 per cent from £3.1m (rose 50 per cent higher at to £5.5m, of which £4m was invested in the Farmland Fund. The growth in annual premium.

The growth in annual premium content the guaranteed income.

> represented interest regular savings plans and the remainder conventional life contracts. Mr. Colin Langton, the general manager, anticipated that 1980 would be a year of growth for the company, with a number of new products being introduced.

The 59,228 shareholders of BOC International have just been sent their copy of the 1979 Annual Report. If you would like a copy of this report, please complete the coupon below.

The 94th Annual Meeting of BOC International Ltd., will be held at The Lyric Theatre, Hammersmith, King Street, London W6 0QL on Wednesday 27th February 1980 at 3.00 pm.

Name Address BOC	Please send me a co	opy of BOC International's 1979 Annual Report.
BOC	Name	
	Address	
		800

Principal subsidiaries: J. R. Forrester & Co. Ltd., Glen Metals Ltd. Stewart Thomson (Wishaw) Ltd., Central Shearline Ltd., Jonwindows (Scotland) Ltd., John Williams Steel Service Ltd., Jonwindows Ltd., John Williams Foundries Ltd.

## **COWAN de GROOT**

We are a £10m public company made up of 20 autonomous subsidiaries with sales exceeding £40 million per annum in the toy, leisure, machinery, electrical and hardware

### **ACQUISITIONS SOUGHT FOR CASH OR SHARES**

Please contact me, informally and in confidence, if your company shows net profits of not less than £150,000 per annum and if you would consider selling your business, thus becoming part of a larger group. Our financial resources and know-how would benefit your business. We would expect you to continue to run your company after

COWAN DE GROOT LIMITED, 11 John Street.

Derrick Cowan, Chairman

London WC1 N 2EG. Telephone: 01-405 0812

### BIDS AND DEALS and Markets

## New-look Gieves gives holders cash and shares

GIEVES GROUP, the tailor, pubncher and motor dealer, is selling its James Burn Bindings subsidiary to an American group for £3.66m cash in such a way that the proceeds go directly into the hands of Gieves

The sale of the bindery to Standex International, a UK subsidiary of Standex International Corporation of the U.S., involves the liquidation of the existing Gieves Group followed by the splitting of its assets into and the new Gieves.

in return for these assets. new JJB and new Gieves shares will be issued direct to existing Gleves holders. Stander then proposes to make an offer to purchase the capital of the new JBB. The effect on share-sholders of Gieves of the reconstruction and subsequent sale of the new JJB capital would be that the ordinary holders wil each receive 60p cash per share and the 5 per cent preference and 5 per cent "B" proference holders will be bought out for 120p cash per share.

In addition the Gieves ordinary holders will receive shares in a new company which dwill own all the remaining assets and businesses of Gieves. Well over 40 per cent of the Cleves ordinary capital is in the hands of the directors and their

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Limited

associates.
Gieves had been in talks with the U.S. company for the past -9 months and preliminary tax clearance was received in mid-October: Mr. Michael Keeling. sthe chairman, said yesterdan that after taking advice this method of disposal was decided upon as being the only way shareholders could receive cash without being taxed twice.

Mr. Keeling felt that it was the right thing to do is give money back to shareholders. Final tax clearance has yet been received but it is clear that the sale of the JJB shores will amount to a partial disposal for capital gains tax purposes.

**POARD MEETINGS** 

January, 1980, amount less than £550,000.

HENLYS TO BUY

R. E. HAMILTON

See Lex

the acquisition by Henlys of the Hamilton share capital.

TATEGOLD VALUES

**DOLOI AT £259,000** 

Tea Holdings have reached agreement on the terms of a cash

offer to be made by Tategold to acquire all the 96,000 stock units

of 50p each in the capital of

The offer price will be 270p in cash for each existing stock unit of 50p and values Doloi at approximately £259,000.

The board of Doloi and its

offer to be fair and reasonable

and will recommend acceptance

The directors of Doloi do not

Tategold Limited and Dolol

The following compenies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available at the sub-divisions shown below are based mainly on last year's timerable.

TODAY

Interims: Ambor Day, Jones Stroud, McKa/ Securities. Mfl Furniture, Sengamin Priest, Scottish English and European Testifes.

Hamilton is a main dealer for Ford vehicles in Northern Ireland with its head office in Belfast. Finals. Ashdowa Investment Trust, Bootham Engineers, Lincolt Kilgous. PUTURE DATES

MICOLULIS		
Allen (VI. G.) (Tipton)	Jan. 24	
Dyson (J. and J.)	Jan. 25	
Rosoili	Jan. 29	
Finals—		
Birmid Ou deast	Eah 13	
Edinbettoh American Access	190. 14	
Trust	. lan 27	
Funcia		
Mackinnon of Scotland	Jan. 25	
Mercantile Investment Trust	Mar. 4	
	Dyson (J. and J.) Respill Syltone Finals— Birmid Quulcast Edinburgh American Assets Tural Evade Girsgew Stockholders Truet Hill and Smith Mackinnon of Scotland Marcantia Investment Trust.	Birmid Qualcast Feb. 13 Edinburgh American Assets Travel Jan. 23 Evode Fob. 1 Silesgew Stockholders Truet Feb. 15 Hill and Smith Jan. 31

manufacture of products used in the calendar market. Standex, a diversified manufacturing group whose common stock is quoted in New York, has a division called Wire-O which makes . products substantially similar to those manufactured

The sale price for JJB compares with a net book value of £1.5m which represented 20 per of gorup net assets. In 1978-79 turnover of JBB was £4.6m and trading profit £746,000. Some 66 per cent to 70 per cent of production goes overseas and profits in the first half of 1979-80 dewn from £388,000 to £289,000 -were hit by the strength of

sterling. Of the 1978-79 turnover, £3.5m represented wire loops of which 20 per cent went to the U.S.

Trading profits in 1978-79 attributed to the new Gieves amounted to £847,000 and for the first half of 1979-80 they come to £369,000 compared with 2348,000. In the current year profits are expected to show little change.

A condition of the Standex The business of JBB, which offer is that the JBB group profits, before tax and extraprofits in 1978-79, is mainly in ordinary items in the year ended

### J. Halstead to buy Conway Trailers assets

James Halstead (Holdings)
has reached agreement with the
receiver of Conway Trailers for
the purchase of stock, plant,
machinery and motor vehicles, together with post-receivership current assets.

Conway is engaged in the manufacture, distribution and sale of Conway trailer tents. The company is trading profitably, but was put into receivership as it was unable to meet the liabili-ties of a cross guarantee of its The boards of Henlys and R. E. Hamilton and Co, announce that discussions are taking place which are expected to lead to parent company.

A separate agreement has also been reached with the receiver of This Kendal Holdings the parent of Conway for the purchase of 50 per cent of the capi-tal of Kingway Sarl (France) and the whole of Ibis Europe BV (Holland) and Conway

Trailers U.S.A. Inc. (Elkhart, Indiana).

The total consideration is \$501,000 in cash payable on completion, which is estimated to be January 31 this year. Hamilton's pre-tax profit for the year ended December 31, 1978, was £112,000 and unaudited management figures for 1979, indicate a result of about

be January 31 this year.

Owing to the appointment of a receiver, the latest audited figures available are for the year ended July 2, 1978, which show a pre-tax profit for Couway (after a management charge by Ibis of £60,000) of £124,000 on a turnover of £1.558m. Henlys has commenced nego-tiations with Ford Motor for the continuance of the main dealer and truck specialist dealer franchises held by Hamilton, should the acquisition take place.

The current level of activity is however significantly ahead of these figures.

The benefits which are expected to accrue to Halstead should be further profitable growth resulting from a larger involvement in the leisure industry, the directors say.

YELVERTON

Yelverion Investments has completed the acquisition of Portdrake for £29,000, satisfied by the issue at par of 580,000 financial advisers, Cayzer Limited, consider the terms of the ordinary 5p shares.

Portdrake is an investment company with interests in the energy and mineral sectors; its assets consist entirely of quoted investments with a middle bold beneficially any stock units, market value on completion of but units held by them as £25,125, and £4,063 cash. The nominees on behalf of Finlay vendors have warranted that the Overseas Holdings (a wholly net asset value is not less than owned subsidiary of James Finlay 29,000.

and Company) are included in a total of 65,562 stock units (68.3 per cent) in respect of which irrevocable undertakings to accept the offer have been given.

Yelverton has warranted that the net asset value of its group (excluding Portdrake) will be not less than £40,000 at October 31, 1980.

## **Cray Electronics share** quotation suspended

Shares of Cray Electronics jumped from £122,400 were suspended yesterday £525,090 because discussions are at an advanced stage for the transfer of ownership of its parent company, Capital for Industry.
Capital for Industry, a member of the Grindlays Bank group, owns 71 per cent of Cray, which last year sold three-quarters of Assurance Company (and its J. and S. Pumps subsidiary wholly owned subsidiary Target

VMF-Stork of Holland for £500,000 cash. Cray's shares were suspended

subsidiaries. subsidiaries.

Reflecting the impact of the Investment Trust, St. Swithin's recent engineering strike, pre-tax profits of Cray dropped from Group, becoming controllers of £255,000 to £224,000 in the six months to October 31, 1979.

Turnover for the period rose from £5.2m to £5.8m and despite proposal relating to the Dawnay the uncertainty of the economic convertible stock is effective. At the control of the

the uncertainty of the economic

1730,000.

Tax for the six months took \$116.000 (£132,600), but including an extraordinary credit of £117,000 this time, arising on the sale of the interest in J. and S. Pumps, attributable surplus

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Gitt-Edged Portfolio Menagement Service Index 21.1.80 Portfolio I Income Offer 82.77 Bid 82.33 Portfolio II Capital Offer 140.87 Bid 140.08

DAWNAY DAY

Annuities), part of the Dawnay

Day Group. This involves Cray is the only quoted member its managing director, Orient and of Capital, which has six General Investments (as subsidiaries.

the uncertainty of the economic situation, the order book January 18, acceptance had been continues to be healthy.

Stated earnings per 10p share slipped from 1.23p to 1.09p, but the interim dividend is kept at 0.57p net—last year's total was 1.72p on profits, before tax, of \$230,000

**BORTHWICK BUYS 17** JAMES BLUE SHOPS

Thomas Borthwick and Sons agreement, subject to contract, that Borthwicks will purchase for cash the capital of the James Blue Group comprising James Blue and Kelday Butchers.

The James Blue Group operates 17 retail butchers shops, mainly in the North-West London area.

The purchase is expected to

be completed early next month when further details will be announced.

It is intended that the opera-tion will be integrated with Matthews Butchers, a wholly-owned subsidiary of Borthwicks.

COWIE/EWER

Motor dealer T. Cowie is now whisker away from having to a whisker away from having to make a bid for George Ewer, the motor coach operator in which it has lifted its stake to 29.996 per cent, just below the level at which the Takeover Code requires a formal offer.

Cowie, which is based in Sunderland, first bought over a quarter of the Ewer shares last Angust from Vivier Investments for £1.84m.

for 21.52m.
Commenting on the latest acquisition of a further 400,000 shares, Mr. Andrew Cowie, a director, said: "It's an investment and likely to stay that way."

WATMOUGHS Mr. D. R. Hobbs has disposed of his non-beneficial interest in

668,529 ordinary (13.37 per cent) previously reported on January 19, as being acquired. This follows his resignation as a trustee of family trusts.

Mr. J. E. Watmough (as trustee) has acquired a non-beneficial interest in 129,344 ordinary (2.59 per cent) and Mr. A. D. Baxter (as trustee) has acquired a non-beneficial interest in 200,495 ordinary (4.01 per cent).

SHARE STAKES Waring and Gillow (Holdings)

Mrs. V. F. Pomerance, wife of
B. Pomerance, director, has sold
35,000 shares at 116p on January

London and Scottish Marine Oil-Mr. R. E. Fox, who recently joined the Board, holds 218,500

## له كالمالة مل HIGHLIGHTS FROM THE CHAIRMAN'S ADDRESS. **AUSTRALIA AND NEW ZEALAND** BANKING GROUP LIMITED.

Addressing shareholders at the 11th Annual General Meeting in Melbourne on January 21, the Chairman, Sir lan McLennan, highlighted these points: 1978-1979 RESULTS

All sections of the Group contributed to the record profit of \$A107.1 million. The Trading Bank accounted for 47.3% of the profit, compared with 36.4% in 1977-78.

The 1978-79 dividend distribution will increase to \$A29.1 million.

STAFF PROFIT SHARING AND SHARE PURCHASE SCHEMES

An initial profit sharing distribution of \$A5.26 million, or 4.9% of the Group profit, has been made to staff. The extent of any future allocation will vary from year to year, depending on results. The proposed Staff Share Purchase Scheme also incorporates an incentive for staff to work towards

improving the Group's results. BANK OF ADELAIDE

Directors are confident ANZ and the Bank of Adelaide will form a successful partnership, particularly in South Australia, where we are now the dominant banking group.

INTERNATIONAL DEVELOPMENTS

The official opening of our new Singapore branch will take place later this week. ANZ is to become the first bank with a local equity stake held by New Zealanders, who are to be offered 25% of the c r.tal of the new company, ANZ Banking Group (New Zealand) Ltd. The New York and Los Angeles agencies have continued to expand. Our London operations continue to make a worthwhile profit contribution.

INQUIRY INTO THE AUSTRALIAN FINANCIAL SYSTEM We believe official controls on Australian banks should be relaxed, and that this deregulation should occur before there is any

move to liberalise the policy on foreign banks operating in Australia.

AUSTRALIAN ECONOMY

Despite the poor general outlook for world trade and economic growth, the prospects are that Australia will fare relatively well in 1979-80.



The major impetus to growth appears to be a strong export performance rather than any upturn in domestic spending.

Unfortunately, Australia's rate of inflation has recently increased, due largely to external factors, and the Government should be congratulated for the determined and steadfast way it has adhered to policies designed to contain inflation.

It is regrettable that a 4.5% general wage increase has been awarded by the Arbitration Commission, as this is more than Australia can afford at present. It may help to generate a shortterm increase in consumer spending but is more likely to exert upward pressure on prices.

Liquidity conditions in the June quarter of 1980 will be considerably tighter than last year. In current circumstances, an increase

in money supply of not more than 10%, as specified in the last budget, still appears a fitting aim for 1979-80. THE OUTLOOK FOR ANZ

The slow down in world economic growth and accelerating overseas inflation may affect profits earned outside Australia in

In Australia, recent wage increases will boost personnel costs. while the higher costs currently being experienced in attracting deposits may not be fully recovered by increased lending rates. However it seems that there will be no early easing in the cost of funds to the Bank and some upward adjustment to lending rates appears

Continuing efforts are being made to control costs and expand our income base, and directors believe another satisfactory result will be achieved.

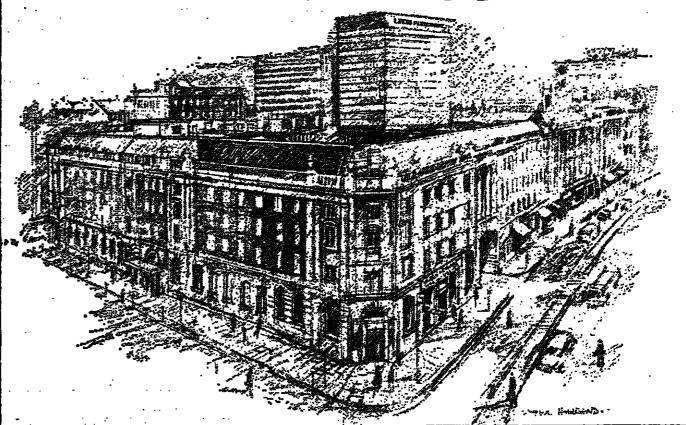
Staff are thanked for their contribution to another outstanding result in 1979. Outstanding results do not just happen. They are produced by motivated, conscientious staff, who respond to man-

agements' efforts to provide them with challenging, well-paid, stable employment. Copies of the Bank's 1979 Annual Report

and the full text of this address are available from Marketing Dept., 71 Cornhill, London EC3V

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED Incorporated in the State of Victoria, Australia limited liability

## e Leed: -a demanding year.



### Another year of continued progress-Total assets 17:44% higher at over £2,629 million.

\*Difficulties in satisfying mortgage demand have continued to be the principal burden facing us", said Mr. J. Malcolm Barr, BA, LLB, President of the Leeds Permanent Building Society, at the Society's 131st Annual General Meeting. Recent comment about bouse price rises showing signs

house price increases of over 30% in the year under review. When the rate of interest paid to investors was increased on 1st August 1979, the corresponding increase in the rate charged to borrowers was deferred for five months.

of slowing down comes only after some regions have recorded

This was financed partially by the reduction in the rate of income tax payable by the Society, and partially by pruning the working margin so severely that it did not even cover our modest gement expenses." Record investment and lending.

"Despite the difficulties, we lent a record \$576 million during the year, 39% of it to first time purchasers. 377,000 new investment accounts were opened, and investors' balances increased by £365 million.

Three contributing factors were: (i) We extended the range of term share accounts, introducing 4 and 5-year High Return Term Shares, at a guaranteed differential premium rate, for sums as low as £500.

(ii)43 new branches were opened in the year. Branches

opened in the last two years, with their associated agents, produced well over £100 million gross investment receipts in the last twelve months alone. (iii) The intentional reduction in liquidity to 17.93% of total

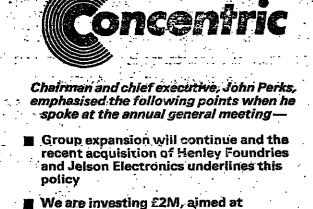
assets, enabled the Society to provide an increased and consistent flow of mortgage funds, during a period of wide fluctuation in investors' receipts. Nevertheless, liquid assets at £471 million are £38 million higher than last year. I thank Agents, Staff and the Board for their loyalty and

supporting demanding year."



Head Office: Permanent House, The Headrow, Leeds LS1 1NS.

Say 'the Leeds' and you're smiling.



enhancing existing technologies and ... ... providing funds for developments in electronics and other new technologies

■ The order books for 1980 look satisfactory

RESULTS - YEAR ENDED 29th SEPTEMBER

£000s 33,233 Sales 10,046 Net assets 1,514 2,428 Profit before tax Pence 5.29 Earnings per share 12.08 4.57 3.99 Dividends per share (gross) 62.01 53.13 Net assets per share

Copies of annual report and accounts are available froi Concentric Limited, Coleshill Road, Sutton Colditeld, West Midlands 875 7AZ.

**Alexanders** 

Results for 1979



Subject to final audit the balance of loss for the year after rebate and taxation and making transfers from Contingency and General Reserves amounted to £250,000. (1978-The balance after a transfer for Contingency Reserve amounted to a credit

★: After the transfer of £1.000,000 the General Reserve is £4,000,000 (1978-£5,000,000).

★ A final dividend of 11.501p per share (£562.000) on the £4.889.658 Issued Ordinary Capital is recommended. (1975—11.501p per share £559.000 on Capital £4.861.658). This makes a distribution for the year of £782,000 (1978—£778,000). ★ The balance of profit carried forward will be £421,000 (1978—£1,461,000).

The fall in MLR early in the year enabled some profits to be made. However the two increases in June and November resulted in heavy depreciation and trading losses. These losses have been met by a reduction in both published and inner reserves.

However, in view of the cyclical nature of the Company's business and the large retentions of previous years the Board has decided to maintain the final dividend at last reserve level.

The Balance Sheet total at the year end was £468m (1978—£480m). Our bill holding was little changed at £367m (1978—£351m) but the total of bills under rediscount was £520m (1978—£179m). Sterling CDs holding was only £8m (1978—£38m); our increased holding of Dolker CDs at £22m (1978—£7m) is a consequence of recently opening a New York office. The holding of Gilts was £19m (1978—£5m). Local Anthority securities, all of which were of the figating rate type, were £47m (1978—£21m).

1 St. Swithin's Lane, London EC4N 8DN

## Rustenburg Platinum Holdings Limited

Chairman's Review by Sir Albert Robinson

The thirty-third annual general meeting of the company will be held in the board room, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, at 09h30, on Wednesday, 80 January 1980.

he financial results for the year under review for ourssed those of any previous year in the company's history. Resenue from the sale of metals was 63 h higher than that of the 1978 financial year, partly as a result of larger sales volumes, but primarily because of substantially increased prices. In consequence, despite increasing production costs, group profits before tax increased to R130 million, which may be contrasted with the figures of R4.5 million and R34.3 million carned in the 1977 and 1978 financial years

Tricklends declared during the year absorbed R25 million, a significant increase on the previous year's distribution but no more than about one-third of after-tax profits of R78.7 million. The regained profits of R53.7 million - together with other sources of finels, principally provisions (R26.7 million) and a reduction of net working capital (R16,6 million) - were applied in the financing of capital expegaliture (R47.2 million) and the regayment of fixed-term. bans (R48.5 million). The conservative dividend parament was in accordance with the stated financial policy of the group, which is to conserve and strengthen its financial. resources both to meet future commutations and to be hetter able to withstand adverse changes in the market for its regulacts should these occur, In view of the magnitude of these commitments and the profoundly unsettled state of the world economy, your directors consider it necessary to maintain a policy of modest dividend payments.

### Market Conditions

In little more than two years the Free Market price of tlatinum soured from \$150 to \$620 per ounce, which it briefly maintained at the conset of the current financial year. It has since risen further and in early January of this year reached levels in excess of \$800.

The initial introduction to this extraordinary movement was provided by a reduction in the flow of Russian metal to the West in late 1977, coupled with the reduction of South African output in response to poor demand and depressed prices. Further momentum was provided by the general recovery of the world economy, which resulted in an improved demand, and by the rapidly appearing requirements of the US automobile industry in consequence of the antipollution measures that had been instituted by the anahorities of that country.

Latterly, however, the Free Market for obstitutin has become subject to the immense speculative forces that have been engendered by the unstable political, economic and monetary conditions prevaiing world-wide. The worsening wil situation, the concomitant transfer of wealth on an unprecedented scale to the Open countries, the persistent tides of global inflation, the continuing erosion of major international currencies and, more recently, the Iranian revolution and the Russian involvement in Afghanistan, have induced a wave of abnormal speculation for precious metals. The price on the Free Market has been driven to levels that are quite unjustillable in terms of normal market our-

The past three years have witnessed a pronounced imin the fortunes of your commany a African platinum mining industry as a whole. The strong demand for platinum during this period has enabled us to reinstate previous levels of positiction, to institute plans for exponding caracity against firm contracts and above all to raise our published price progressively from \$165 in 1976 to its current level of 8420 per ounce.

During the year there was a material increase in the consumption of platinum by the automobile industries of the TSA and Jupan, with the result that these industries, taken together, now rank with the Japanese jewellery industry as the lantest consumers of the metal. The group's sales of platinum to the automobile industry in the 1979 financial year were the highest ever achieved. Our sales for the first half of the current year. However, will be lower than those for the latter half of the rest year, the principal cause of this decline being the lower demand for new automobiles in the United

The automobile industry's demand for platinum maturally depends upon the number of vehicles it produces and the avenue loading of platinum per vehicle. The average loading in turn depends upon the emission control standar operative at a given time and on the size and type of vehicle produced. Both the decline in automobile production and the swing towards manufacture of smaller vehicles have thus reduced the automobile industry's platinum requirements for the time being. However, with the tightening of emission control requirements in the USA in model year 1981, which starts in mid-1980, there will be an increase in the platinum. loading per vehicle and this, subject to the duration and severity of the US recession, should restore the automobile industry's demand to previous levels.

On balance, I do not consider that the quantity of metal that the automobile industry will require during your company's present financial year will equal that for last year. Revenue from this source, however, will probably be of a similar order to the fleure for last year because of the higher price at which sales will be effected. As regards the longer uenn, there is every reason to suppose that the industry's usage of platinum will increase. The impact of this increase on the demand for newly-mined platinum is difficult to assess as that will depend, inter alia, upon the quantum of metal that may be recovered from scrapped automobiles. The effect of such recycled material on the demand for newlymined metal could be felt by the mid-1980's and ennecoupply vonr company and its associates are continuing their efforts to stimulate additional demand for platinum by

I would draw attention to the fact that, in line with the policy that I stated last year, the new contract for the supply of platinum group metals to the automobile industry, which was acquiated by your company during the year under review, incorporates pricing provisions and guarantees which justify committing the necessary capital expenditure,

The Japanese jewellery trade has long been a major consumer of platinum.

Consequently, it is disturbing to note that during the past year the steeply rising and rapidly fluctuating course of the Free Market price has been accompanied by a decline in Jamenese usage of platform for jewellery purposes.

I should like to explain for the benefit of shareholders that the Japanese jewellery trade partchases the major portion of its platinum requirements at Free Market related prices and that the prices of its end-products are set accordingly. Its consumption of platinum and sold is influenced by the Free Market price of platium and the gold price and also by the degree of variability of these prices. Marked fluctuations in these prices tend to discourage purchases of the metals and encourage the running down of stocks, as in such circumstances the trade courts the risk of substantial losses. Also, the track is deterred from buying platinum when the differential between the Free Market price of platinum and the sold price becomes excessive. It is therefore a matter of concern that the Free Market price of platinum continues to fluctuate widely at very high levels.

With an eye to the future, your company has continued to promote the usage of platinum for jewellery purposes in lapan, with the welcome support and collaboration of the lanunese jewellery taide. Furthermore, the campaigns to emote platinum in jewellery in the United Kingdom and West Germany are being pursued vigorously and have attracted a response that gives us hope that in due course our offerts will bring about an increase in demand for the metal. I comphasised in my eview for 1977 that it was in the longerterm interest of your company that we continue our endeavours in this direction. This is still our view and accordingly we plan to spend about R6,5 inillion on promotional campaigns during the calendar year 1980.

### Base Metals

Some 50% of the nickel and conner content of the ore produced by the group is sold in the form of a nickel-corner matte to Amax Nickel Inc., in terms of a contract entered into hase metal treatment capacity of Matthey Rustenburg Refiners is less than the mines' output of these metals. In September last year Amox declared force majeure as a regult of a strike whose likely duration cannot be assessed at this stage and in consequence our deliveries of nickel-copper matte to Amax have been curtailed. Our efforts to find alternative outlets for disposing of this matte have not yet met. with success and, even if we do succeed, group revenue from nickel and copper will be materially affected during this financial year. However, revenue from platinum group metals

The imbalance between the base metal capacities of the mines and of Matthey Rustenburg Refiners should be corrected by the end of 1981, when the latters new nickelcopyer refiners, now under construction at an estimated cost of R56 million, is scheduled to reach full production. It is expected that this plant will produce refined nickel and copper at a substantially lower cost than is the case at

### Outlook for the Current Financial Year

To date, sales of most of the company's metals are running ahead of last year's levels and, in most instances, are being effected at appreciably higher prices. The outlook for the remainder of the period is uncertain, however, for the reasons I have outlined in this review. Present indications are that the increased producer price for platinum of \$420, instituted along with higher prices for certain other platinum group metals last December, can be maintained even if the Free Mariet price of the metal experiences a downward connection. On balance, therefore, there are grounds for expecting group profits for the current financial year to be higher than those for the preceding year.

### Possible Future Mining Operations

As reported in the latest Directors' Review, your company is continuing its exploration of various portions of the Bushveld Ignoous Complex. This work is being earlied out as part. if an on-going evaluation of possible future mining areas. While this process of evaluation embraces the whole spectrum of platinum-bearing ones, particular emphasis is heing placed on the so-called Merensky Platreef of the Progieters rust district, which was originally mixed in the 1920's, Prospecting results to date indicate that this area has the potential for supporting a major new platinum, nickel copper mine.

The indications are that this wide orchody might be exploitable by open-cast methods at working costs that may well be substantially lower than those of conventional. undergo and mining. However, much work remains to be done in evaluating this deposit, particularly since its metallurgical characteristics differ from those of our content rations. Rustenburg is indeed formulate to have control of this highly promising prospect.

### Employment Policy and Practice

Southern Africa stands on the threshold of major political and social progress, If the realisation of the region's great potential is not to be stultified by the sente shortage of skilled manpower that is now evident, radical new departures in mployment practices, such as those envisaged in the renors of the Wichalm and Rickert Commissions, will have to be implemented, Your company's policy, in common with that of other members of the mining industry, is to improve job opportunities for all of its employees, irrespective of race or colour, by training and development programmes that will enable them to fulfil their potential. To this end, we are working towards the creation of a uniform scale of salaries based on occupation categories in terms of which employees, regardless of race, will receive equal pay for work of equal value. In pursuing this policy we shall continue collaborate with the Council of Mining Unions and the Officials' Associations and also with the Governments of Bophuthatswana and South Africa in order to effect meaningful changes in an orderly fushion.

The South African Government is to be cominitiative it is showing in paving the way for the changes that are essential to the continued prosperity and progress of all the peoples of the Southern African region. While it would be idle to pretend that these changes are greeted with equal enthusiasm in all quarters, I venture to say that a favourable consensus is emerging. It is of the utmost importance that the adaptation to new working relationships should proceed. as harmoniously as possible and accordingly I would reiterate the plea, which I made in my previous review, for a constructive and positive attitude on the part of all concerned.

During the year under review Messes R.S. Lawn Peterson and P.F. Retief resigned from the Board, which wishes to place on record its deep appreciation of their cars. The vacancy occasioned by Mr Retief's resignation was filled by the appointment to the Board of Mr H. Scott-Russell.

With effect from 8 November 1979, Mr. R.A. Smith relinguished his appointment as Deputy Chairman of the company in order to devote his attention to other duties within the JCI group, I should like to pay tribute to Mr Smith for his outstanding services to your company during his tenure of office as Deputy Chairman. Mr Smith will remain a member of the Board

Mr G. H. Waddell, Deputy Chairman of John Consolidated Investment Company, Limited, became a member of the Board on 8 February 1978. With effect from 1 January 1980, he has been appointed Deputy Chairman of your company and a member of the Executive Committee.

I wish to record our appreciation of the excellent technical, research and marketing services provided by Johnson Matthey & Co. Limited, our sole marketing agents. I would also thank our customers throughout the world for their continued support.

To the Mine Managers, Consulting Engineers, Secretaries and all the staff and employees at the mines and at Head Office, my sincere thanks for their loval and efficient services

### 21 January 1980

Copies of this Review and the Report and Accounts are obtainable from the London Secretaries: Barnato Brothers Limited, 39 Bishopsgate, London EC2M SEE.

## MINING NEWS

## Rustenburg's 'modest' dividend policy

BY KENNETH MARSTON, MINING EDITOR

A MIXED reception may be tance from its customers. of the affairs of South Africa's free market prices and sets its Rustenburg Platinum Holdings. On the one hand, for example, ingly. This is particularly irk-be anticipates a fresh rise in some for Rustenburg which sells earnings for the current year to August 31 but on the other he warns that it is "necessary to maintain a policy of modest dividend payments."

Sir Albert is concerned about the runaway rise in platinum prices which, on the free market paigns this year.

are currently over \$900 per Demand for platinum from the ounce compared with the "fixed" producer price of \$420 presently quoted by the South African producers, Rustenburg and Impala Platinum. He points out that free market prices "are quite unjustifiable in terms of

The largest consumers of platinum are the U.S. and Japanese automobile industrieswhich use the metal in exhaust emission control devices - and the Japanese jewellery industry. As is already happening in gold and diamonds elsewhere, the Japanese jewellery industry is has now running into price resis- new

normai market conditions."

The Japanese jewellery trade son's latest chairman's review buys its platinum at the high own end-product prices accordits platinum at the lower pro-ducer price, but faces a fall in demand as a result of the high prices enjoyed by others especially as Rustenburg plans to spend about R6.5m (£3.5m)

on jewellery promotional cam-

automobile industry has declined in line with reduced production of motor cars and the trend towards making smaller models. However, Sir Albert reckons that this demand will be restored by the tightening of U.S. emission control requirements this year and he expects increased usage of the metal in the longer term. Also with the long term in

mind, Sir Albert discloses that prospecting work on the Merensky Platreef in the Potgietersrust district, which was
originally mined in the 1920s,
has outlined a potentially major
new platinum-nickel-copper

mine which could be mined by relatively low cost open-cast methods. Meanwhile, more evaluation work remains to be

done. comment

Financial Times Tuesday January 22 1980

The political and economic factors which have boosted the price of gold to record levels have been also at work in platinum and Sir Albert's concern about the market impact of the inflated price of platfimm; jewellery—which is dearer than that of gold is fully under-standable. But whereas the gold mines can countenance a sharp setback in the price of their metal and still offer high earnings and dividend yields. Rustenburg has not enjoyed the full benefits of the platform price boom but stands to suffer from its impact on consumer demand. Although Rustenburg is still making high earnings, its shares, with a yield of only 3.3 per cent, are discounting a major increase in dividends, which now

## WMC stymied on BH South bid

WESTERN MINING Corporation, the Australian mining group, has given up hope of gaining complete control of BH South, the Melbourne mining and investment house, but will have a majority holding. BH South will remain a listed company. The plan to sell a number of BH South's assets, including its 20 per cent stake in Kembla Coal

and Coke, to Conzine Rictinto of Anstralia, will go ahead.

All of this emerged from a WMC statement yesterday. It said that WMC's share and eash offer for BH South would not be extended beyond its January 31 expiry date and that the full

objective of acquiring all BH South shares cannot be achieved. CTB Nominees, which covers the Commonwealth Trading Bank pension fund, holds 15.3 per cent of BH South and rejected the WMC bid last December. It has not modified its stand.

Subject to the approval of BH South shareholders, however, WMC is to recommend that the sale to CRA should go ahead of the company's stake not only in Kembla Coal, but also in Electrolytic Refining and Smelting (60 per cent), Metal Manufactures (19.4 per cent), Kanmantoo Mines (51 per cent) and Cobar Mines (100 per cent).

This means that CRA's plan to agreed to buy North BH's 30 per yesterday—South Africa's gold cent in Kembla. ent stake in Kembla.

had received acceptances of 58.3

own shares and 50 cents cash for in mind the fact that the South every 10 shares in BH South. Yesterday in London, WMC shares were 237p. BH South CRA were 278p.

S. African gold output eases SOUTH AFRICA'S gold produc-

iton fell slightly last year but was still a little above the 1977 total which was the lowest for 16 years. Figures released by the South African Chamber of Mines show that the December 1979 output amounted to 1.912,567 troy ounces making a year's total of 22,613,000 ozs, or 703.3 tonnes compared with 704.5 tonnes in 1978 and 700

tonnes in 1977.

The value of last year's production, based on an average gold price of around \$300 an ounce, would have amounted to some \$6.78bn (£2.97bn). South Africa accounts for about half the total world production of the metal, the other main source being the Soviet Union.
Gold sales made by the Soviet bloc in 1978 amounted to about

410 tonnes and are thought to have fallen to around 250 tonnes Kembla Coal to outright owner— Clearly, if gold prices stay at ship is now within sight. In a anywhere near their current separate transaction it has levels—bullion closed at \$825

African mines are required by their lease terms to extract lower grade ore when this is shares were 245p and those of made profitable by high prices, extending their working

### High profit at Mary Kathleen

MARY KATHLEEN, Australia's only uranium producer, had record profits last year, but is: paying no dividend. Earnings for the current year will be substantially lower. Net profits in 1979 were AS17.34m (£8.4m), compared

with AS707,000 in 1978, Mary Kathleen announced yesterday. The company paid no tax last year, but tax allowances worth at one stage A\$23.27m will be worked out early this year. "This will substantially lower the profits after taxation in 1980 and for the remaining life of the mine," the company said.

This fact, coupled with a debt load of A\$20m, raised in 1977 from the Commonwealth Government and Conzinc Rictinto of Australia, the major shareholders, explains why there is no dividend payment.

Last year, in any case, Mary Kathleen had to i out of net profits totalling A\$12.78m to cover interest on borrowings at A\$2.5m, more than yesterday—South Africa's gold five times the amount paid in revenue will show an even more 1978, depreciation of AS9.16m. impressive advance this year. nearly double the amount for But production is unlikely to 1978, and Queensland Governper cent for its offer of 11 of its be significantly higher, bearing ment royalties of A\$1.1m.

### OIL AND GAS NEWS

## Canadian Hunter will spend C\$27m on B.C. exploration

CANADIAN HUNTER Explora-tion, the oil and gas exploration unit of Canada's Noranda Mines, has won, by sealed bid, the right to explore a total of almost 2m hectares (4.8m acres) in the Nechako Basin of central British Columbia, reports John Soganich from Toronto.

The winning bid represents a commitment by Hunter to spend C\$27.5m (£10.4m) on drilling and eismic work over five years for an average of \$5.73 an acre. Seismic surveys will begin immedlately.

The Nechako Basin is described as one of the many remnant structural basins of the cretaceous sea which extended Only a few cretaceous basins,

in remote areas of the north, are unexplored. All others, from Alaska to Mexico, are producing major quantities of oil and gas.
The Nechako is little known because of a cover of volcanics, but it has large structures and a maximum sediment thickness of 20,000 feet of marine cretaceous

The basin is west of Williams Lake, British Columbia. Its southern boundary is crossed by a highway, while the Westcoast Gas Pipeline lies along its eastern edge.

Brunswick Oil NL, the West Australian oil exploration concern, which is listed on the Sydney and Melbourne Stock

Brunswick has negotiated an

private company which holds etroleum Exploration Permits WA 104P and EP 106. Terms of the offer are A\$4.89m payable in a mixture of cash and shares. A seismic survey carried out last year identified a number of anomalous areas with geological structures. Two international firms of consultants, Layton and Robertson Research, who were involved in the evaluation of the prospects, have independently reported, recommending drilling of two structures which are in-water depths of less than 190 metres.

Permits immediately to the north are currently being explored by Woodside Petrosydney and Melbourne Stock leum. Brunswick is currently undertaking negotiations for the acquise of prospective oil areas in the Browse Basin, offshore meats.

## 99 companies wound up

COMPULSORY WINDING up orders were made against 99 companies by Mr. Justice Dillon in the High Court yesterday.

They were:— Avenue Foundry (Newport). A.C.T. Commercials, Cornforth Auto Spares, V. L. Wood (Contractors), Kamal Ranasinghe Co., Iracund, Presto European Transport.

Rarmerglow, The Albert Line, Brahner Land (Promotions); Stuart: Heynes (Contractors), Stuart: Heynes (Contractors), Stuart: Heynes (Contractors), Shepway Plastering. Waterpoint.

Bordyke, E. L. C. Interior Insprovements, Ealing Plasterers, Directors' Management Participation; Ark Shipping and Trading European Transport.
M. J. S. Footwear, Toronto

Shopfitiers, Instand Foods Vend-ing Supplies (Waltham Forest), Parkclear Joinery, Lowrie Engineering Company, A. B. Seymore (Imports), Phytoid (Haulage Contractors).

Faranicci, Focus Fairs, W. J. Scaling, Lexdell, Audlem Motors,

Peak Rubber and Plastics, Sam. Foster (Solid Fuels), Pennine Press Knives,

Cobra Supaform; P. H. Cooper and Co., Day and Sons (Nazeing), Parmount Products (Rossendale), Vintage Wines and Spirits Con-sultants, Bracey Gardens, Gold bourne Development Company,

Almners Country Estates, Hardman Marsden and Co., Lannox, G. A. Byard, Hall House Aquadine, Benton and District Social Club, Concessionaire Catering, A. J. M. Interiors.

Stonecraft Jewellery, Smith's Car Hire. Electricians Supplies (Swansea), Ewin and Son, Helen-(Swansea), Ewin and Son, Helen. A compulsory winding up order combe. Holbeckford, J. C. made on January 14 against Langton Investments; Loroch, Trowcraft was rescinded and the

tion; Ark Shipping and Trading (London), Goodville, Suncare, Aubrey Handbags.

Adelphi Pharmacy, A. R.
Homes, Barness Properties,
Celestial Garden Restaurant Com-

pany, Portador Enterprises, Parker and Nuction (Develop-ments), Goodfit.

Heronchoice, Itor, John Curtis Electrical, Tryon Joinery, Villad Properties, Origin Gallery, Milbrow Properties. Lowstead Investments, Tresdacare Tyres, Miss Lancer of London, Dorik Flooring, B. C. D. Formwork, Admith Estates, Eureka Developments, Kamran Evropts

Kamran Exports, Regaltop, Senatequill Wanderers Sports; Avalanche, M. S. Gill and Co. Beserkley Records, Wireonics.
"Tara" Transport (Hire),
Anglian Leisure Products (1978), Concraig Holdings, Pathfield Electrotechnics, Survey Tan Paving Company, Creon Mechanical Services, B. M. Services (Heating).

petition dismissed by consent.

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st,

## Pound improves

savia precluded any natural improvement. Nevertheless the improvement as stable currency helped the a stable currency helped the dollar finish at its best level for the day. Against the D-mark it finished at DM 1.7295 against DM 1.7235 and SwFr 1.6015 from DKr 12.3650, and the dollar moved to DKr 5.3965 from DKr 5.3935.

BELGIAN FRANC—Generally weakerst member of EMS, but reach the Japanese yen, rising to Y2411 from 239.60. On Bank of England figures, its trade-weighted index rose to 84.9 from 84.7.

DMARK—Very strong, and showing a temdency to rise within the Emropean Monetary System—The D-mark lost a liftle ground at the fixing against other EMS members, with the exception of the Irish punt The Belgian franc was quoted at DM 6.152 and the DM 42.695 per FFr 100 from DM 42.69. Sterling rose quite

EMS EUR	UPEA	M. CUHI	KENU!	INN	KA I ES
	ECU central rates	Currency amounts against ECU January 21	% change from cantral rate	% change adjusted for divergence	Divergence
Belgian Franc	39.7897		+1.78	+1.43	±1.53
Danish Krone	7.72336	7.78858	+0.84	+0.49	±1.64
German D-Murk	2.48208	2,49436	+0.49	+0.14	士1,125
French Franc	5,84700	5.84322	0.06	-0.41	±1.3557
Dutch Guilder	2.74362	2.74974	+0.22	-0.13	±1,512
leith Punt	0.668201	0.673350	+0.77	+0.42	±1.688
ttetian - Lica	1157.79	1162.51	+0.41	+0.41	±4.08

Day's

Spread

Class

One month

2.2225-2.2960
2.6505-2.6515
4.347-4.287
4.357-4.397
63.95-64.45
64.00-64.10
12.30-12.39
12.31-12.32
12.31-12.32
13.660-114.40
13.65-114.40
13.75-114.00
150.75-151.40
150.80-150.90
35c pm-15 dis
1,231-11.29
1,241-11.29
1,242-12.28
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2.2 STERLING improved in currency markets yesterday, with demand reflecting current interest in the UK Government's new glit-edged firmer to DM 1.7735 from Sweden at DK 1.7735 glit leaded from the Government's new glit-edged from the flat of the Sister of the UK Government's new glit-edged from the flat of the UK Government's new glit-edged from the flat of the UK Government's new glit-edged from the Government's new glit-edged from the flat of the UK Government's new glit-edged from the flat of the UK Government's new glit-edged from the flat of the UK Government's new glit-edged from t THE DOLLAR SPOT AND FORWARD **CURRENCY RATES** 

Sterling	Jan. 16	Bank rate Z		European Currency Unit	Jan. 21		Morgan Guaranty changes %
	U.S. & Canaciian S. Austria Sch. Beigian F. Danish K. D Mark D Mark Guilder French Fr. Lira. Yen Norwgn. Kr. Spanish Pts. Swedish Kr. Swiss Fr.	12 14 35 101 11 6 91 91 91 8 10 8	1,32090 1,53462 16,3633 37,0116 7,11965 2,7789 2,51037 6,33412 1062,99 316,620 6,46826 87,2996 87,2996	1.44538 1.674900 17.8938 40.4706 7.78552 2.48183 2.74636 5.83571 1163.71 346.197 7.09897 95.5250 5.99066	U.S. dollar Canadian dollar Austrian schilling Belgian franc Danish kroner Danish kroner Deutsche mark Swiss franc Guilder French franc Lira Yen Based on trade we Washington agreen	84.9 81,3 158.0 116,5 109.0 158.5 203,2 126,2 102.5 55.1 116,8	-8.3 -16.6 +24.2 +13.9 -2.7 +46.3 +81.1 +20.4 -5.6 -49.7 +16.9

THE POUND SPOT AND FORWARD

		I	1	,	
Jan. 21	. : £	. 8		& Note Rates	
Argentina Peac, Australia Dollar Brazil Cruzeiro Finiand Maricka Greek Drachma Hong Kong Dollar Iran Rial KuwaitDinar (KD) Lixembourg Fre Malaysia Dollar New Zealand Dir Saudi Arab. Riyal. Singapore Dollar Sth. African Rand U. A. E. Dirham	3754-3774 2.0560-2.0580 99.88-100.88 8.44-8.46 n/a 11.01-11.05 0.617-0.627 64.00-84.10 4.9900-5.0020 2.3085-2.3145 7.64-7.74 4.9180-4.9300	0.9018-0.9020 43.75-44.15 3.6840-3.6860 7/2 4.8180-4.8180 0.2718-0.2719 28.04-28.06 2.1805-2.1815 1.0115-1.0125 3.8600-3.3607 2.1490-2.1500 0.8178-0.8186	Austria	9,24-9,31 3,95-3,971 <sub>8</sub>	
		for Assessing to			

weak currency. Adjustment calculated by Financial Times.	O. R. E. Dilliam	oton-oton lett-1
work Containey. Adjustment Calculated by Pinsincial Lines.		Rate given for A
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LX(	CHANGE (	CRUSS RA	TES	•	÷		٠.
:	Jan. 21	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc Sw	riss Fra
L : 2 -	Charles		0.004	7 NET	FE1.0	0.050	7 660

Jan. 21	PoundSterling	U.S. Dollar	Deutschem'	k Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Gulid'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.284	3.953	551.0	9.250	3.660	4,358	1889.	2,651	64.05
U.S. Dollar	0.488	1.	1.731	241.2	4.050	1.602	1.908	808,2	1,161	28,04
Deutschemark	0.253	0.578	7.178	139,4	2,340	0,926	1,102	465.3	0.671	16.20
Japanese Yen 1,000	1.815	4.145		1000.	16.79	6.642	7,908	3838.	4,811	116.2
French Franc-10	1,081	2,469	4.873	695,7	10.	3.957	4,711	1988.	2.866	69.84
Swiss Franc	0,275	0,624	1.080	150,5	2,527	1.	1.191	502,5	0,724	17.50
Dutch Guilder	0,229	0.524	0.907	126.4	2.125	0.840	2,369	422.0	0.608	14.70
Italian Lira 1,000	0,544	1,242	2.149	299.6	5.030	1.990		1000.	1.442	34.83
Canadian Dollar	0,377	0,862	1.491	207.8	3,489	1.381	1,644	693,7	1,	24.16
Balgian Franc 100	1,581	3,565	6.171	860.3	14,44	5,714	6.803	\$871.	· 4,139	100,

**EURO-CURRENCY INTEREST RATES** 

C	manshe 14.15-14.2	5 per cent; on	e year 13.30-13.	40 per cent,	· · -						
=	Jan. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder		West German Mark	French Franc	italian Lira	Asian \$	Japanese Yes
	7 days' notice.	22-224 19-194 181 <sub>8</sub> -183 <sub>4</sub>	18%-14 18%-14% 14%-14%	121g-131g 121g-131g 131g-137g	11-114 114-1119 1114-1119	21 <sub>4</sub> -21 <sub>2</sub> 21 <sub>6</sub> -25 <sub>3</sub> 51 <sub>6</sub> -55 <sub>8</sub>	814-858 814-858 836-812	113 <sub>6</sub> -12 113 <sub>6</sub> -12 121 <sub>6</sub> -12 <sub>56</sub>	20-25 221 <sub>2</sub> -251 <sub>2</sub> 211 <sub>2</sub> -231 <sub>2</sub>	1 <del>3 2</del> -15 <del> 2</del> 144-144	14.515 5-7-559 519-7-2

### INTERNATIONAL MONEY MARKET

## European rates steady Slight fall

to remain stable in the French money market during the rest of the week, helped by the recent willingness of the authorities to provide liquidity. Last week the Bank of France bought about FFr 12bn of first category paper at 12 per cent, compared with 12; per cent pre-

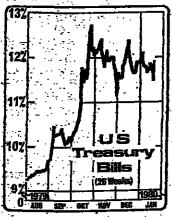
end

und W

An auction of FFr 12bn of seven-month Treasury bills will he held to-day, as will the floating of the Government's first state loan of the year.

Strong demand has led to an increase in the six-year loan to RFr 12 blo. Form the playmed

FFr 12.5hn from the planned FFr 8bn. The record 12 per



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MOREY	RATES	
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NEW YO	RK .	
Prime Rate		15-15- 137-142
red, Funds	lla (13-week)	12.12
Treasury B:	Us (26-week)	11.93
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Overnight !	ite	8.65 · ·
voe monto		
Three mont	16	8.95 8.65
Six months		, 4.00
FR		
FRANCE .		<b>A</b> E
Discount Re	<b>10-</b> ,,	. 9.5 . 11 <i>.87</i> 5
chewilding is	<b>ista</b>	11222
Une month.		42 2425

JAPAN ...

European interest rates were generally steady yesterday, with Paris call money rising I per cent to 11I per cent, but down from to 11I per cent a week earlier. Term rates were unchanged from Friday, except six-month maney which eased by I per cent. Conditions are expected to remain stable in the French 15 years—has created strong interest from investors, including Middle East institutions. Banks handling the issue may have already fulfilled their subscription quotas.

In Zurich it was announced that Switzerland plans a further issue of three-month chart-term. issue of three-month short-term certificates for Swiss residents, totalling about SwFr 200m. The

yield on the previous issue was 3.65 per cent. In Singapore the Overseas Union Bank raised its prime lending rate to 91 per cent from 91 per cent, bringing it into line

### **UK MONEY MARKET Further** shortage

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979) Heavy demand for Government stock to be offered for tender on Wednesday is expected to aggravate a general shortage of credit in the London money market this week. Day-to-Day funds were in short supply yesterday and the authorities gave very large assistance. They bought a moderate amount of Treasury bills from the discount houses and banks, the banks, a small net take-up of the banks, a moderate excess Heavy demand for Government

date; a small number of local authority bills from the houses; and a moderate amount of eligible bank bills from the houses, all for resale at a fixed future date. To complete the help the Bank of England lent a small amount overnight to three

London bullion market yesterday to close at \$820-830. It opened at \$825-835 and rose gradually through the morning to a fixing level of \$843.00. During the

afternoon the metal touched an all-time high at the fixing of \$850, but drifted easier in later trading to finish at its lowest level for the day.

January 21

(£359-364) (£360-365)

some for resale at a fixed future Treasury bills, a moderate excess

of revenue payments to the Exchequer over Government dis-bursements, and repayment of the small amount lent to the market on Friday. Discount houses paid up to 17

\$854-244 \$205-210 \$310-215 \$210-215

\$1010-1026

In Paris the 124 kilo har was fixed at FFr 98,750 per kilo

(\$759.31 an ounce) compared with a record FFr 98,750 (\$760.25) in the morning and

FFr 95,000 (\$731.70). on Friday.

afternoon. In Frankfurt, the 121 kilo bar was fixed at DM 46,510 per kilo (\$843.00 per ounce) against DM 46,010 (\$825.50) previously.

January 18

per cent for secured call loans, with closing balances taken at 16 per cent to 161 per cent. In the interbank market overnight loans commanded 20 per cent to 22 per cent at the start, easing to 16 per cent in the afternoon, but closing around 20 per cent.

Rates in the table below are

### LONDON MONEY RATES

Jan 21 1980	Sterling Cartificate of deposit	Interbenk		Local Auth- negotiable bonds	Finance House Deposits	Company		Freesury Bills &	Eligibie Bank Bilis &	Fine Trade Bills &
Overnight	187 <sub>8</sub> 177 <sub>8</sub> 181 <sub>4</sub> 177 <sub>8</sub> 175 <sub>8</sub> 177 <sub>8</sub> 161 <sub>8</sub> 161 <sub>4</sub> 161 <sub>8</sub> 161 <sub>8</sub> 151 <sub>6</sub> 147 <sub>8</sub>	16-32 181g-191g 177g-191g 173g-181g 171g-177g 16-3g-163g 16-3g-163g 14-3g-153g	19-1914 19-18 18-172-1712 16-1614 150-1604 2614-1614	19-1819 1814-1712 1778-1718 1614-1554 1534-1514 1514-1478	181 <sub>2</sub> 181 <sub>2</sub> 181 <sub>4</sub> 18 17 161 <sub>8</sub> 155 <sub>9</sub>	- 1	16-17 	158 <sub>9</sub> -153 <sub>4</sub> 158 <sub>4</sub> -15 <del>12</del>	171g-177g	18 <sup>1</sup> 4 18 <sup>1</sup> 8 17 <sup>1</sup> 8 1578

Local authorities and financial houses seven days' notice, others seven days fixed. \*Long-term local authority mortgage rates nominally three years 152-152 per cent; four years 151-152 per cent; five years 147-153 per cent. \*Blank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 152-153 per cent; four-month trade bills 156 per cent.

Approximate salling rates for one-month Treasury bills 152 per cent two-months 153-155 per cent; three-months 153-175 per cent; three-months 153-175 per cent; three-months 153-175 per cent; three-months 156 per cent; three-months 156 per cent; three-months 156 per cent; three-months 156 per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent; from Jahuary 1, 1980. Clearing Bank Daposit Rates for sums at seven days notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.749 per cent.

### WORLD VALUE OF THE POUND

							<del></del>	
PLACE	AND LOCAL UNIT	VALUE OF E STERLING	PLACE AND	LOCAL UNIT	VALUE OF £ STERLING	PLACE AND	LOCAL UNIT	VALUE OF £ STERLING
Afghanistan	Afghani	95.00	Greenland	Danish Kroner	12.315	Peoples D. Repub.		
Albania Algeria	<u>Le</u> k	10.16 8,7765	Grenada (S)	E. Caribbean \$	6.19 9.25	of Yeman (S)	S. Yemen Dinar	(A)0.7820
Algeria	Diner	9.25	Guadaloupe	Local Franc	9.25 2.2840	Peru Philippines	, 501 Bhillesina Basa	exc(A)573,41 15.95
Andorra,	French Franc	150.85	Guam	Guetzai	2.2840	Pittippinos,	(£ Sterling	1 10.20
i Angola	Ywanzo	88.888	Guatemala Guinea Republic	Sily	42,80	Pitcairn Islands (S)	New Zealand	2,3115
Antigua (S)	E. Caribbean 🐔	6.19	l Guinea Bissau	. Paso	76,30	Poland	Ziety	(Cm)68.00
Argentina	E. Caribbean \$ Ar. Peso Free Rate Australian \$	3,764 2.0600	Guyana (S)	Guyanese ş	5,8395	Seeding!	Barturu'an Fassala	(Cm)66,00 (T)66,00 113,875
Austria	Australian 5	28.325	Helti	Gourd	11,45	Port Timor	Portugu'se Escudo Timor Escudo U.S. \$	113.875
Azores	Schiling Portug. Escudo	115.875	I HONGULES Repub	Lempira	4,6000	Puerto Rico	U.S. 5	2,2840
		•	Hong Kong (S)	, H.K. \$	11,0200	Cater (S)	Cater Buel	8.42
Bahrain (S)	Ba. Dollar	2.2640 0.863	Hungary	. Forint	{(com) 74,77 {(T)(nc) 44,71	Reunion lle de la	Erench Franc	9.25
Balearic Isles	Sna. Paseta	150.85	Iceland (S).		913.50	Rhodesia	Rhodesian S	1.5110
Bangladesh(S	Spa. Peseta	54.72	India (\$)	, L KIDRE Ind Dunes	18,18	Romania		i / (Cm)10.03
Parcados (S)	5adagos \$11	4.5680	India (8)	Rupiah	1,481,25	Rwanda		(c/c)T26.95
Balgium	B. Franc	((cm) 64.05	1 17 M Mary 1997 1997 1997 1997	. 15320	n/a			206,71
Belize	R S	4.5680	Iraq Irish Republic (K)	. Iraq Dinar	0.67445	St. Christopher (S)	E. Caribbean 8	6.19
3 Ba=:=	· O F I F	462.90	i julu Kebnalič (K)"	, irish &	1,0655 83.85	St. Helena	F A	1.0
Bermuda (S)	Bda \$	2,2840	Israel	Lira	1,859.0	St. Lucia	C.F.A Franc	462.90
Bhutan	Indian Rupes	18.18 55.55	Italyivory Coast	C.F.A. Franc	462,90	St. Vincent (S)	E. Caribbean 5	6,19
Botswans (S)	Boilvian Peso	1.8060			4.0755	Salvador El	Colon	5.73
Brazil	Cruzeiro ±	100.38	Jamaica (5)	Ven	551.0	St. Pierre St. Vincent (S) Salvador El Samoa American	. U.S. 5	2,2760 1,839,0
Brit. Virgin Isl	GP-A Franc  Be \$ Indian Rupes  Bolivian Peso  Cruzeiro #  as(3) U.S. \$ Rupes \$	2.2840	Japan Jordan (5)	Jordan Dinar	0.666(sg)	San Marino Sao To'e & Principe	. Italian Life	72.86
		4.9840	V	DI-I	2.748.00	Saudi Arabia	Rvai	7.69
Bulgaria	Lev	1,8656 15,4050	Kenya (S)	. Kenya Shilling	16.58			462.90
Burundi	Kyat Burundi Franc	203,555	Kiribati	Australian \$	2.0600	Seychelies	S. Rupee	13.375
1		, 200,000	Korea (Nth)	. Won	1.879(II)	Sierre Leone(S)	Leone	2.53882 4.9240
Cameroon Rep	ub'e C.F.A. Franc	462.90	Kenya (S) Kiribati Korea (Nth) Korea (Sth) Kuwait (Sth)	, Won	1,524,72 0.622	Singapore (S) Solomon Islands(S) Somali Republic	Singapore a	1.9540
Canada	Canadian # s Spanish Peseta	2,6510	Kuwait (Str),	KOWAIT DINA		Somali Rapublic	Somali Shilling	(A)13.80
Canaly Island	s Spanish Peseta	150,85 83,50	Laos	, Kip Pot Po	916.00			1.86825
Cape verue is	le, Cape V. Escudo	1,9030	Lebanon Lesotho Uberia	Labanese E	7.4555 1.86825	South West African Territories (S)		
Cent. Af. Repu	b C.F.A. Franc	462.90	Liberia	Liberian E	2.2840	Territories (S)	S. A. Rand	1,86825
Chad	is (8) Cay. Is. \$ b C.F.A. Franc C.F.A. Franc	462,90	Libya	Libyan Dinar	0,6780			150.85
		(Bk) 89,40	LibyaLibya Liechtenstein	Swiss Franc	3,66	Spanish ports in North Africa		
China	Ranminbi Yuan C. Peso L C.F.A. Franc ville) C.F.A. Franc	3,5970	Luxembourg	Lux Franc	64,05	North Africa	Pasets	150,85 35,25
Comom teland	G. PESO	(F) 101,09 462,90	Macao	Pataca	12.15	Sri Lanka (8) Sudan Republic	Sudan f &	n/a
Congo (Sraz'a	dille) C.F.A. Franc	462.90	1 MADSIT2	POTTUGISE ESCUGO	113,875	Surinam	S. Guilder	4.0990
i Coste Mcs	COION	19.60	i Malagasy Republic	MG Franc	462,90	Swaziland (S)	Lijangeni	1,86825
Cnps	Cuban Peso Cyprus £	1,5894	Malawi (5)	Kwacha	1.79 4,9960	Sweden	S. Krona	9.47
Cyprus (s),	Cyprus £	0.783	Malaysia (S)	Mol Buces	8.9995	Switzerland	Swiss Franc	3.66 (A)8.9910
Czechoslovaki	. Koruma	( (com) 11.45	Mail Republic	Mali Franc	925.00	Syria		
		(C)19.94	f Maira IXI.	Marres &	0,778	Taiwan	New Talwan	(P)82.45
Denmurk	Danish Krone	12.315	Martinique, Mauritania Mauritius (3), Mexico	Local Franc	9,25	Tanzania (S)	Tan. Shilling	18.40 46.70
Dilbouti	Fr. E Caribbean \$ pub Dominican Peso	395.0 (sg)	Mauritania	Ougulya :	92,65	Thailand Togo Republic	CEA Empe	462.90
Dominica (S)	E. Caribbean S	6.19	Marrian	M. Kupse Meriene Bess	17.36 52.29	Tonge Islands (S)	Pa'anga	2.0600
Dominican Re	pub Dominican Peso	2,2840			462.90	Trinidad (8)	Trinidad & Tob. \$	6,4815
1			Monaco	French Franc	9.25	Tunisia	Tunisian Dinar	0.883 (8G)
Ecuador	Sucre	(0) 57.02	Monaco	Tugrik	(o)6.2580(II)	Tonga Islands (S) Trinidad (S) Tunisia Turkey	Turkish Lira	106.33
		(F) 63.10 (U) 2.58	Monserrat	E. Caribbean #	6.19	Turks & Calcos Tuvaiu	U.S. 8	2.2840 2.0600
Equatorial Gui	Egyptian S nes. Peseta	150.85	Morambiana	Virnam Mos Feondo	8.35(sg) 69.75			
Ethiopia	Ethiopiaл Birr	(P) 4.7465	I .			Uganda (5) United States	uganda Shilling	16,25 2,2840
Ballalari d sas			Nauru	Australian Dollar	2.0600			2.2540 (cm)19.42
Falkland Island	is (8 Falkland is. £	1:0	Nepal	Nepalese Rupee	27,50	Uruguay.,	Uruguay Peso	(fn)19.45
Fili felonde	Danish Krone	12,315 1.9090	Nepal	Guilder	4.3575 4.0990	Utd. Arab Emirates	U.A.E. Dirham	8.57
Finland	Markka	8.45	Merhetistro Within	(Feans	149.35	i U.S.S.R	Rouble	1.4254
{ France	French Franc	9.25	New Habrides	Aust. Dollar	2.0600	Upper Volta	C.F.A. Franc	462,90
I French Cityin A	P C.F.A. Franc	462,90	New Zealand (S)	N. Z. Dollar	2,3115	Vatican	Italian Lire	1,839,0
rrench Guiana	Local Franc	9.25	Nicaragua	Cordoba	22,925	Venezuela	Bolivar	9.84
French Pacific	Is., C.F.P. Franc	169,90	Niger Republic	G. F. A. FYRIC	452.90	Vistnam	Dong	(0)4.9920
Gabon	C.F.A. Franc	462.90	Nigeria (S) Norway	Native Krone	1,230122 (sg) 11,2225	Virgin Islands U.S.		1(T)4.60(I) 2.2840
Gambia (S)	Dalasi	4.0			•	Western Samos (S)		2,2640
I GRIMBIN (Fact	. Orbitalis	3,9525	Oman Sul'ate of (S)		0.791			
i Germany (West	) Deutsche Mark	3,9525	Pakistan	Pakistan Rupee	22,75	Yemen	Ryal	10.36(SG)
Ghana (5)	Cedi Glbraltar £	6.27	Panama	Baiboa	2,2840	Yugoslavia	MEW T DINE!	45,0722
Greece	GIDTAITAI ≉	1.0	Papua N. Guinea(S)	Kina.	1,5720 286,10	Zaire Republic Zambia	Zaire	4.603328 1.74
~	<b>= (4.5))    14.</b>	n/a	Paraguay	unarain	200,10	· 46/10/6	v myčus	1.74
<u> </u>								<del> </del>
	-f sk- 5k	: :- 44 4	E			4 Busses and access		AC -10 4 !

## Genstar Limited

has acquired approximately 94% of the outstanding Common Stock of

The Flintkote Company

The undersigned acted as financial advisor to Genstar Limited in connection with this transaction and as Dealer Manager of its tender offer.



The First Boston Corporation

January 18, 1980

Series	Apr	ti i		ely	. Ot		,
	Vol.	Last	Yol.	Last	Vol.	Last	Stock
ABN C F.300 ABN C F.320	25	7.50 1.70	1	10,50			F.289,50
AKZ C F,22.50	. 70	1.60	29 10	2 2	40	1.60	F.25
AKZ C F.85 AKZ C F.97.50		0.70	10	1.20 0.40	40	1.00	
AKZ P. F.30	- 67	0.10		0.90	1	_	
AKZ P F.22.50 EK C 545	1 5	1 43a	_	_	=	~	\$46%
EK C \$50 HO C F.20	6	154	1 5.	3.90	- ¦		F.20.90
HO C F.22.50	_=!	=	. 8	1,80	- =	·	
IBM C 870	10	334	. 2	559	· -	-	\$69 <b>%</b>
IBM C 575 KLM C F,70	100	2.80	41	4.80	= 1	=	F.67
KLM C F-80 KLM C F-90	32   16	0.60	24 30	1.90	- 1	~ j	- ,,
KLM C F.100	10	0.20	_		=.!	]	
KLM P P.70	160 40	5.20	25 21	5,40 14.60	_5 `	7.60	<b>"</b>
KLM P F.90	. 1 2	2.50 -	_		- = {	=.	39
NN C F.120	58 7	1	48	4.80		= 1	F.118.40
PET C Fr. 5000	- 5 <u> </u>	· 850 ·  -	· : <del></del> - }	·		· = 1	Fr.5720
PET C Fr.6000	∴ ≛ 1	250	10 197	-1.20	51	1.70	F.19.60
PRI C F.22.50	ે <u>⇒</u> ી		104.	0.50	. 40	0.80	"
PHIP F.20 PHIP F.22.50		0,90 2.60	- 3	1.10	= 1	·= I	"
RD C F.140	·10 i	8.70	<b>-</b> i	- i	_ i	_ ;	» F.144.10
RD C F.145 RD C F.150	78   177	5,20	55	6,50 4,40	- 1		»
RD C F.160	538	0.90	49	1.70	-= 1	· =	17 
RD P F.140		2:30	`- <u>-</u> }	· :	_— <b> </b>	}	<i>n</i>
RD P F.150		7;30   2,10	I	~=.4	= 1		F.114.30
	Feb		Ma	, '	Au		7,224,00
BAC \$60	- 1	<b>–</b> I	3	718	3	94	\$634e
SLB C \$80 SLB C \$90	11	173 <sub>4</sub>	_	= 1	<u>-</u> .l	~ `[	9973
SLB C \$100	<b>50</b>	258	27	7	= 1	= 1	
TOTAL YOLUME I	N_CONTR		<b>.</b>		2491	٠	"
C-	Cell	•		-Draf			

**EUROPEAN OPTIONS EXCHANGE** 

AB.N. Bank 17 % Allied Irish Bank 17 % American Express Bk 17 % Henry Ansbacher 17 % A P Bank Ltd. 17 % Associates Cap. Corp. 17 % Bank of Credit & Cmce. 17 % Bank of Cyprus 17 % Bank of N.S.W. 17 % Banque Belge Ltd. 17 % Banque Belge Ltd. 17 % Banque du Rhone et de la Tamise S.A. 17 % Brown-Shipley 17 % Brown-Shipley 17 % Cayzer Ltd. 17 % Charterhouse Japhet 17 % Charterhouse Japhet 17 % Charterhouse Japhet 17 % Co-operative Bank 17 % Co-operative Bank 17 % Corinthian Secs. 17 % Committee 17 % E. T. Trust Limited 17 % First Nat. Fin. Corp. 18 % First Nat. Fin. Corp. 18 % Foreward Limited 17 % Williams & Glyn's 17 % Cayzer Ltd. 17 % Co-operative Bank 17 % Co-operative Bank 17 % Corinthian Secs. 17 % Corp. 18 % First Nat. Fin. Corp. 18 % Fir		
Allied Irish Bank 17 % Amro Bank 17 % Hamboros Bank 17 % Hamboros Bank 17 % Hamboros Bank 17 % Henry Ansbacher 17 % Henry Ansbacher 17 % Hongkong & Shanghai 17 % Associates Cap. Corp. 17 % Bank of Credit & Cmce. 17 % Bank of Cyprus 17 % Bank of Cyprus 17 % Bank of N.S.W. 17 % Bank of N.S.W. 17 % Banque Belge Ltd. 17 % Banque Belge Ltd. 17 % Banque Belge Ltd. 17 % Barclays Bank 17 % Bremar Holdings Ltd. 18 % Brit Bank of Mid. East 17 % Brown-Shipley 17 % Cayzer Ltd. 17 % Cayzer Ltd. 17 % Charterhouse Japhet 17 % Charterhouse Japhet 17 % Charterhouse Japhet 17 % Consolidated Credits 17 % Cooperative Bank 17 % C	BASE LEN	DING RATES
Modert Fraser	ABN. Bank 17 % Allied Irish Bank 17 % Amro Bank 17 % American Express Bk. 17 % Henry Ansbacher 17 % A P Bank Ltd. 17 % Arbuthnot Latham 17 % Associates Cap. Corp. 17 % Bank of Credit & Cmce. 17 % Bank of Credit & Cmce. 17 % Bank of N.S.W. 17 % Banque Belge Ltd. 17 % Banque Bur Ltd. 18 % Barclays Bank 17 % Barclays Bank 17 % Barclays Bank 17 % Bremar Holdings Ltd. 18 % Brown Shipley 17 % Canada Perm't Trust 17 % Canada Perm't Trust 17 % Canada Perm't Trust 17 % Charterhouse Japhet 17 % Choulartons 17 % Cooperative Bank 17 % Consolidated Credits 17 % Corinthian Secs. 17 % Eagil Trust 17 % Eagil Trust 17 % Erist Nat. Fin. Corp. 184 % First Nat. Fin. Corp. 184 % First Nat. Secs. Ltd. 18 %	Grindlays Bank
	Antony Gibbs 17 %	15% and over £25,000 15%.

NORTH AMERICAN NEWS

## NYSE hopes for financial futures

So, its debut in the

financial futures business is being watched with more than

passing interest. That is not to say, however, that there is any concensus about its chances

of rapidly developing into a powerful competitor to Chicago.

Traders in the financial futures

markets point out that the Chicago markets themselves

were slow to pick up and that even today there are enormous

of trading in different contracts. Ninety-day Treasury bill futures are booming on the Chicago Mercantile Exchange—

1.7m of the \$1m contracts changed hands last year, 30 are

15 to 20-year Treasury bond

of Trade, which saw a similar volume in a \$100,000 contract.

But the CBOE's commercial

paper contract saw just over a

thousand contracts changing

change (NYFE), as it will be is under no illusion

about the magnitude of the task facing it and is going about

poached several top officers

from the Chicago financial

futures market, to help it in its

task, and is investing in modern

The New York Futures Ex-

THE Now York Street

contracts on the Chicago Board

Exchange

The New York Stock Exchange plans to trade in financial futures, which have already proved themselves among the fastest growing

money market instruments. Stewart Fleming assesses the prospects

FOR MANY Wall Street investment banks, last year's \$1bn bond issue by International price determined at the time of The NYSE, or "Big Board," Machines was a disaster. Launched just before the Federal Reserve Board toughened its anti-inflationary stance on October 6 with moves that drove interest rates sharply higher, it left some under writers facing heavy losses on the issue, running into millions of dollars overall.

But Mr. George Shinn, chair-man of First Boston, says that his firm profiled from the deal. partly because it was one of the underwriters with the foresight to hedge its risk in the financial futures markets.

Financial futures have been perhaps the most rapidly growing money markets instruments in the U.S. Started in 1975 in Chicago, the last quarter of that year saw some 20,000 contracts traded. Today, trading in some interest rate futures contracts can at times exceed both the volume and the value of trading in Chicago's long established grain and commodity futures In essence, the contracts

allow investors and traders (and

speculators) to take a position reflecting their judgme; where interest rates or curven rates are headed in commonths while only having to p a fraction of the cost of 😁 seller of the contract caree t purchase or deliver a specif

Texaco and

Mobil pursue

**Belridge** suits

Californian oil company sold to

Shell Oil last year for a record

\$3.65hn, both companies said

Their statements came in

By Our New York Staff

vesterday.

response

Exchange

investment. The buyer and the amount of a given financial the deal. In New York, Wall Street has markets with some 80 per cent

been watching Chicago's spec-tacular success enviously, volume. So, its debut in the sadly on

### New York Stock **Exchange**

threatens to be a repeat of the Chicago Board of Trade's dominance of the share options business.

The nation's money and bond markets, and many of the com-panies which might be expected to make most active use of financial futures, are in New York, as is the bulk of the U.S. foreign exchange market. Financial futures have seemed

tion for Wall Street's financial community, and some toes have Commodities Exchange (Comex) recently started trading two inrest rate futures contracts and the American Stock Exchange has one contracts trading. But progress has been slow, with both exchanges together trading fewer than 100,000 contracts

In April of this year, however, the New York Stock Exchange, frustrated with its failure so far to obtain per-mission to enter the share options husiness, is expected to open up a new trading floor for husiness in financial futures. It is still awaiting final approval of its plans from the regulatory agency. Commodities Futures Trading Commission.

possible. Mr. John Phelan, vice chair-

man of the New York Stock Exchange, who is chairman of NYFE is putting great emphasis the mechanics, and the NYSE's reputation as a well-regulated institution, in promotthe new futures market. dominates the U.S. equity The NYSE claims to have had a good response to its initial membership drive.

One of the more intriguing decisions which NYFE seems to be moving towards is to put

### THE New York Stock Exchange

considerable emphasis initially on trading currency futures. As things stand, five of the first eight contracts to be traded will be currency contracts. The others are expected to be another of the popular 90-day Treasury bill contracts, a long U.S. bond contract, and a Government National Mortgage Association (Ginnie Mae) contract.

Mr. Phelan is aware of the difficulty of breaking into the interbank foreign exchange market. Some foreign exchange dealers suggest that banks will have little incentive to trade currency futures when they can trade more freely and less expensively in the interbank currency market which has, for example, no margin requirements. There is, however, a highly profitable arbitrage busiin currencies and the interbank

foreign exchange market.
On the other hand, NYFE is meeting the challenge in a determined fashion. It has clearly hoping that it will be able to tap a new market for currency trading, namely a growing interest in currency trading (some would say specu by individuals and lation)

### electronic equipment to make Record foreign sales help Ford

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD'S car and truck sales out- heavily to keep pace with legisreached a record 2.14m units, more than 5 per cent up on the 2.04m units in 1978. MOBIL and Texaco are to pursue their legal bid to halt This maintained Ford's posithe liquidation of Belridge, the tion as the leading U.S.-based

automotive group outside its home market. The group will be relying on its overseas operations this year, because North American losses are likely to to a Los Angeles reach \$1bn as Ford grapples judge's refusal last week to with a declining share of a dethem a preliminary clining car market at a time

side North America last year lation on fuel-economy, pollution controls and safety. Mr. Donald E. Petersen, exe-

cutive vice president. Ford International Automotive Opera-tions, said yesterday "Competition outside North America is hotting up, but Ford is more than holding it own. Our aggresinvestment and product plans should ensure that we retain our leadership position

In 1979, Europe and Latin America made the major contributions to Ford's success.

indicated

Rontrollbank

The European plants built a record 1.69m cars and trucks. Mr. Petersen said that the Fiesta, Ford's small car, had heen a significant factor in Europe. Some time this month production of Fiesta-" already the most successful car we have ever sold in Europe "-will pass 1.5m cars. The car is assembled in Spain. West Germany and England from components sup-plied by 16 Ford plants. In Latin America, Ford's sub-

sidiaries in Argentina and Mexico achieved record sales of

### when it must continue to spend Sharpest falls in dollar sector in Eurobond trading

PRICES dropped in all major a coupon of 51 per cent through sectors of the Eurobond Swiss Bank Corporation. markets yesterday. Falls of up to one point were posted on some straight dollar bonds. less pronounced in the Deutsche Mark and Swiss Franc sectors.

Three new private placements have just been completed in Swiss Francs and a fourth announced. The Kingdom of Sweden has arranged equal tranches of a 200m issue through SwFr 200m Credit Suisse. The first tranche runs for five years and carries a coupon of 51 per cent while the conviction that with interest the second runs for six years and includes a coupon of 53 per cent. Osterreichische Kontroll- have to pay higher coupons on bank has completed a SwFr 30m the bonds they arrange in this five-year issue which includes sector.

wiss Bank Corporation, common on the DM 150m seven-Meanwhile Union Bank of year public offering for Switzerland is arranging a Osterreichische SwFr 40m private placement was increased by per cent to for the Spanish borrower Auto- 8 per cent by the lead manager

while the decline in prices was pistas del Mare Nostrum. This Deutsche Bank. Investors had

A report of the Financial Times conference. Euromarkets in the 1980s, appears on Page 6

Meanwhile

of new horrowers appears to be rates rising in Swizzerland. foreign horrowers will soon

Brown & Sharpe Manufacturing Company

has sold its wholly-owned U.K. subsidiary

Joseph Parks & Son Limited

CIN Industrial Investments Limited

(a nomince company of the National Coal Board Pension Funds);

Midland Industrial Investments Limited

(a member of the Midland Bank Group);

the Senior Management Group

The undersigned initiated this transaction and acted as financial advisor

to Brown & Sharpe Manufacturing Company.

issue includes a maturity of four proved very reluctant to buy years and a coupon of 6 per Austrian paper last week, cent possibly because of fears of the threat that the U.S.S.R. may to Austria. Yeslerday the hands were quoted in premarket trading at a discount of 11 points, after the coupon had been increased.

A DM 20m seven-year private placement for the Japanese

manufacturer of sporting goods. ASICS, is being organised by Commerzbank. The borrower is paying a coupon of Si per cent for this issue which is guaranteed by Tayo Kobe Bank. second tranche of the Carter bonds which are currently on offer in the German domestic

The yields offered on the

bond market were announced by the Bundesbank yesterday. The 21 year notes will yield 8.50 per cent while the 31 year will yield 8.45 per cent. Such yields are slightly below those offered on the first tranche of Carter bonds last November, which were 8.55 per cent on the 21 year notes and \$50 per cent on the 31 year German investors have until inmorrow to subscribe to the notes.

### Annual earnings up 17% at Mead

By Stewart Fleming in New York

MEAD CORPORATION, a leading U.S. paper company which last week abnounced a puzzing shake-up in its top management, yesterday disclosed a 17 per cent increase in its 1979 earnings

Sales for the year were Sales for the year were \$2.6bn, up 11 per cent over the \$2.3bn earned in 1978. Mr. James W. McSwiney, chairman and chief executive officer, said that last year was a good year for the company's lumber, paper and paper

But he added that demand for the company's lumber, plywood and wafter board had been affected by the decline in housing starts towards the end of the year.

He added, however, that the company is not seeing any evidence that would indicate a break in the economy as abrupt or as severe as in late 1974-75.

Last week the company announced a change in its muchpublicised management team. Mr. Warren L. Butts, the 47-year-old president and chief executive officer, resigned not long after he had taken on the chief execu-tive functions from the 64year-old Mr. McSwiney, who has now resumed the chief executive job.

### Final quarter downturn for Armco

By Our New York Staff

ARMCO, the large U.S. steel company, yesterday reported a sharp drop in 1979 fourth quarter profits, reflecting the general downtrend in the steel industry. Net income was \$44.6m, or \$0.97 a share, down from \$56.7m, or \$1.24 a share in the same period of 1978. Sales, however, were up, from \$1.16bn to \$1.27bn.

The results brought Armco's year-end earnings to \$221m, or \$4.82 a share, up from the \$198.3m (\$4.29) in 1978, Full year sales totalled \$5.04bn, up from \$4.36bn. Steel shipments were up slightly, from 6.1mn tens to 6.3mn tons. But Armeo clearly does not expect any major improve-

ment in the foresceable future. It predicts a 10 per cent drop in steel shipments in 1980, mostly in the first six months. Mr. Harry holiday, the chief executive, said: To achieve improvement in operating results, we have initiated lighter management controls and will divest those operations which do not fit

### Brascan eyes acquisitions

TORONTO - Brascan, the Canadian holding company is considering "two, perhaps three " major acquisitions, armed with C\$800m to C\$900m in eash and credit, said Mr. Trever Eylon, the president. Brascan is "looking at four situations right now" in Canada and the U.S. One of the companies is in the financial services field—the others are in the retail and consumer products business.

### SWISS NEWS

### Sharp increase in world turnover for Wienerwald

BY JOHN WICKS IN ZURICH

WORLD TURNOVER of the Wienerwald restaurant and hotel chain reached the equiva- Hollywood, last year. lent of \$889m last year, compared with \$581m in 1978. This represents a record and outstrips the December estimate of \$850m.

Headed by the privately owned Swiss company, Wiener-wald Holding, of Feusisberg, the group is today Europe's higgest single catering concern, operating 497 restaurants and 46 hotels, of which 432 restaurants and 27 hotels are in West

over in the past two years has, however, resulted primarily from expansion in the U.S. Here. Wienerwald took over the Lums Restaurant Corporation,

chain, International House of Pancakes (IHOP), of North As a result, the group now

runs 861 restaurants and one Travelodge hotel in the U.S. It also has operations in Japan, South-West Africa and South The U.S. expansion led to a

40 per cent rise in turnover in real terms in 1978 and a further jump of 58 per cent last year, after foreign-currency adjustments. At the end of 1979, Wienerwald operated 1,502 The marked increase in turn-ver in the past two years has, a labour force of 23,100—double that of a year before. Invest-ments last year reached a record \$62.5m. Mr. Guenter Steinberg. deputy head of the group, pre of Miami, with 273 branches, diets that 1980 should see the in 1978 and the 500-restaurant group's highest earnings yet.

## Jacobs buys into Coffex

BY OUR ZURICH CORRESPONDENT COFFEE CONCERN Jacobs has

COFFEE CONCERN Jacobs has acquired a controlling interest in Coffex, a producer of decaffeinated coffee with headquarters in Switzerland and subsidiaries in four European countries. Coffex last year introduced the Secoffe decaffeination process in which organic solvents are replaced by water.

recently took control of WB-look, and Zebra coffee with strend offer head offer. Narok and Zebra coffee brands, thereto, Jacobs has placed contracts with outside companies for the supply of decaffeination process in which increased net profits for 1979 of SwFrs 2.76m (\$1.73m), compared with SwFrs 2.63m, Divisional contracts with outside companies for the supply of decaffeination process in which increased net profits for 1979 of SwFrs 2.76m (\$1.73m), compared with SwFrs 2.63m, Divisional contracts with outside companies for the supply of decaffeinated coffee.

recently took control of WB-

pared with SwFrs 2.63m. Divi-Jacobs, already the world's dend is unchanged at SwFrs 40 biggest coffee group, per share.

## Union Pacific in further \$28m agreed merger

UNION PACIFIC, which 10 days ago announced a \$900m merger proposal with the Missouri Pacific Railroad, yesterday an-nounced a second agreed merger bid, this time for the remnants of the Western Pacific system in California. New York - based Union

Pacific's bid for Western is valued at \$28m and forms another piece in the ilgsaw of corporate reorganisation sweeping through the American railvay industry.

Two other leading railway companies, Burlington Northern and Norfolk and Western, yesterday announced sharp reases in earnings for last year. Under the terms of three pro-osed railway mergers, all of which are subject to the usually shares.

lengthy scrutiny of the Inter-state Commerce Commission, the U.S. railroad industry would be radically reshaped in the coming months.

If the Union-Missouri-Western deal goes ahead, it would create the third largest network totalling 22,800 miles. The biggest would be the proposed Burlington Northern-St. Louis and San Francisco network (29,600 miles) and the Chessie system merger (26,600 miles).

Western Pacific operates over 1,600 miles of track in California, Nevada and Utah. Until last April it was part of Western Pacific Industries, but was then sold to a group of employees. Union Pacific already owns 9.9 per cent of Western's common Burlington Northern, the Minnesota company which at present operates the country's longest railway, more than doubled earnings in the fourth quarter, from \$20m to \$50m, on sales up by 32 per cent to

For the whole year, earnings rose from \$114m to \$175m on saics 28 per cent up at \$3.25bn. Norfolk and Western also isted record earnings. For the full year they rose by 88 per tent to \$198.6m, excluding the effects of an extraordinary credit of \$59m in 1978. Sales rose by 32 per cent to \$1.45bn. Last year, ireight traffic on all U.S. railways increased by 5.2 per cent to a record 902bn

tonne miles.

## Bank of America lifts profits

BY DAVID LASCELLES IN NEW YORK

BANK OF AMERICA, the Net income for the whole of largest U.S. bank, yesterday 1979 reached \$600m (\$4.10), up reported a small increase in 17 per cent on the \$514m earned profits for the final quarter of 1979. Income before securities transactions was \$158m. or \$1.07 same period of 1978 when earnings per share were \$1.

from \$177m to \$226m in 1979. Luan losses in the last quarter

Net income for the whole of were \$41m. up 8 per cent on 179 reached \$600m (\$4.10), up the final quarter of 1978.

The bank ascribed part of its profits to major gains in fees Bank of America said that it from trade financing, and the had had to increase its provision sale of business services. Foreign exchange profits also increased sharply, from \$64m

## Kodak optimistic on price rises

ROCHESTER — Eastman that the price consumers pay Kodak said that it does not ex- for colour prints from Kodak price of film and photographic increase substantially, paper to have "a significant Kodak said that the

would increase consumer film prices by 10 to 25 per cent and photographic paper prices by 50 per cent due to the sharp indreases in silver prices.

50m ounces of silver annually, added.
The company said, however, of which 35m ounces are for use Reuter

pect the recent increases in the processing laboratories will not Kodak said that the increase

effect" on spending on photo- in paper costs for photofinishers raphy. and other processors, including Kodak recently said that it its own laboratories, will be largely offset by the recovery of silver from the paper used to make prints.
Kodak said that it purchases 50m ounces of silver annually.

Because of the large amount

of silver involved, the company tories at an absolute minimum. This also means that the most recent silver prices enter into our manufacturing costs within a few weeks and this compels increases in the prices for our products," the company

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

U.S. DOLLAR

STRAIGHTS

Alcoe of Australie 10 83 60
Alex Howden XW 9½ 91 30 75 77 -0½ -2 13.77

Australien Res. 9½ 84... 30 90½ 95½ 00½ -1½ 12.51

Avec 0/S Cap. 10½ 87 40 31 82 -0½ -0½ -1½ 12.53

Aestralien Res. 9½ 87 100 87½ 87½ -0½ -1½ 12.32

CECA Grad. Rate 12 85 100 85½ 95½ -0½ -1½ 12.32

CECA 9½ 95 ... 125 178½ 78½ -0½ -1½ 13.03

CECA 9½ 95 ... 125 178½ 78½ -0½ -1½ 11.81

Canadian Pactic 9½ 89 50 88½ 89½ -0½ -1½ 11.81

Canadian Pactic 9½ 89 50 88½ 89½ -0½ -1½ 11.81

Canadian Pactic 9½ 89 50 88½ 89½ -0½ -1½ 11.81

Comalco Inv. E. 10¼ 91 40 89½ 89½ -0½ -1½ 11.95

Cominental Grp. 9½ 86 100 88½ 89½ -0½ -0½ -1½ 12.52

Comalco Inv. E. 10½ 91 40 89½ 89½ -0½ -1½ 12.55

Dome Patroleum 10 94 50 88½ 89½ -0½ -0½ 12.15

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EIB 10½ 87 -0½ -0½ 12.32 EIB 11½ 92 80
EIB 10 99 150
EIB 10 99 150
EIB 10 15 97 100
EEB 10 15 99 100
GTE FINANCE 9½ 85 100
GMAC 0/5 Fin 11 84 100
GOULD 11 84 100
GOULD 11 85 100
MAINISH 9½ 85 100
MOW BRINSWICK 9½ 85 100
NOW BRINSWICK 9½ 85 100
NOW BRINSWICK 9½ 85 100
NOWN SCOUP PWF 9½ 85 50
NOWN SCOUP PWF 9½ 85 50
OCKIDENTED FOR 10½ 84 50
OFIDITE LEBBING 9½ 86 25
PERNINGH 0/5 F 9½ 84 25
PERSING COP. 9½ 86 25
PERNINGH 0/5 F 9½ 81 100
QUENCE HYDRE 10 99 75
SARIR ROBBINCH 9 82 150
SWENDER 9½ 89 100
SWENDER 9½ 89 100
SWENDER 9½ 85 200
GWENDER 9½ 87 100
MANERS LAMBERT 9 84 100
AWERSBE PICK CHANGES 0 

DEUTSCHE MARK STRAIGHTS

SWISS FRANC
STRAIGHTS
Argentura 61, 88
Ausner 5 89
BMW Oversons 42, 91
Cause Net. Tole. 42, 89
Capachegen 42, 97
Council of Eur. 5 89
Eits 42, 94
Eits 42, 94
Eits 43, 89
Allitt 42, 97
COTE 43, 89
Millet 42, 97
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30 901, +07, 9 4.84

95 95 55 -07, 9 4.84

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921, 921, -01, -01, 5.15

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O The times of times to 1997 Reproduction in whole or in past in any torm not painting without written consent. Data supplied by inter-Bond Services (a sub-ard-any of dataSTREAM interest ones).

## Lehman Brothers Kuhn Loeb

New York · Atlanta · Boston · Chicago · Mouston - los angeles - san francisco - london - Tosto

January 22, 1980

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## L'Oreal to create major new French drugs combine

BY TERRY DODSWORTH IN PARIS

Metabio Jouilie.

?- The merger follows only a few months after the emergence of Sanofi, a group which was similarly developed out of the amalgamation of the activities of Elf Aquitaine, the oil com-

Both groups seem to have been responding in some degree to the peed to reduce costs for pharmaceuticals and to government pressure to streamline the in-dustry to help check the escalation of spending on the state medical services. At the same time, L'Oreal, one of the largest cosmetics manufacturers in the world, is aiming to develop the pharmaceuticals

L'Oreal's announcement came just after it took control of Metabio - Joullie, a company which was itself created through a merger only three years ago. The plan is to integrate Metablo Joullie's activities with those of Synthelabo, in which L'Oreal has a 50.6 per cent stake, to create a group with a turn-over of about FFr 1bn (\$244m) in pharmaceuticals FFr 1.5bn overall.

Total employment of the new company will be about 3,700, and it will be ranged third in the French industry behind the interests of Rhone-Poulenc, the chemicals group, and Sanofi. The two organisations brought toether by L'Oreal seem to be Saphir.

LARGE NEW French largely complementary. Synthe-TABLES NEW French largely complementary. Synthe-pharmaceuticals group is being labo, which has a turnover of created by L'Oreal, the FFr 669m and a consolidated formany, by bringing profit of FFr 31m, specialises logether its interests in two in products for treatment of manufacturers. Synthelabo and heart and arterial diseases. It heart and arterial diseases. It also has a healthy business in

hospital materials.

Metablo-Joullie, on the other hand, with a turnover of FFr 500m and profits of FFr 18m, has a more varied product line, including aspirin, drugs sold to the general public through chemists' shops and a range of veterinary, cosmetic and dietary items.

 A new cross-frontier watch and clock manufacturing group, which will combine the interests of Matra of France and VDO of West Germany, is to be launched at the end of this month.

The creation of the company follows the elaborate reorgani sation of Jaeger, the French vehicle instrumentation and watchmaking group in which VDO used to have the control-Under this ling stake. restructuring, Matra also became a leading shareholder in Jaeger, holding half of a 51 per cent majority stake with

The French and German companies have now decided to extend the area of common action to all their watch and clockmaking activities. This will mean bringing together a number of companies which have now been regrouped under Jaeger-Jaz, Yema, Beyard, and Garant-with the VDO interests in International Watch and

## Norwegian shipping line below expectation

BY FAY GJESTER IN OSLO

NORWAY'S largest shipping total value. group, Wilh. Wilhelmsen, says 

A leading Norwegian insuroperating profits last year were ance group. Vesta, has bought lower than expected, due mainly out a shipping company's stake to delayed deliveries of ships, in Saga Petroleum, the Nor-

just under NKr 300m (\$61m) Sig. Bergesen d.y. shipping compared with NKr 325m in group. 1978. This was less than was needed to cover capital costs.
Profits improved in the final quarter, however, particularly for tankers and bulk vessels. The group expects this trend to excentinue in 1980, because most ef the bulk and rig fleet has

to delayed deliveries of sulps, in Saga retroleum, the roscostly conversions of file group's wegian private enterprise oil
oil rigs, and periods of undercompany, backed by about 90
employment for parts of its of the country's financial, skipofficet.
What it describes as the The purchase makes Vesta one
"nermany merating result" of the two largest shareholders. primary operating result, of the two largest shareholders before depreciation amounted to in Saga—the other being the

### **Earnings** increase sharply at APM

AN AGGRESSIVE policy expansion by takeover, and penetration of foreign markets has enabled Australian Paper Manufacturers, the major pulp and paper group, to boost its interim earnings 80.7 per cent from A\$10.5m to \$A18.9m (\$U.S.21m), in the half-year to December 31.

Group sales rose 34.5 per cent, from \$A233m to \$A314m (U.S.\$349m), while pre-tax rofit jumped from A\$14.1m to A\$31.2m.

The interim dividend is lifted from 4 cents to 5.50 cents, covered by earnings of 11.80 6.5 cents. The directors expect that the final dividend will "at least be maintained at 7 cents a share.

Contributing in varying degrees to the result were newly-acquired automotive parts groups, Brown and Dureau and A. J. Dawson, the fibre packaging group Tasman UEB Holdings, and the discount store operator, Maxwell Electrical Retailing.

On the traditional paper products side, the company in-creased domestic sales by 16 per ent to A\$162m on 10 per cent higher production. But more important to the group was the performance of the inter-national division, which recorded sales of 37,800 tonnes of paper and paperboard—well above the figure for the entire previous 12 months. The main gains in this sector came from large order for pine logs from the Philippines and a 9,000-tonne product sale to China.

Directors point out they expect to continue their present rate of exports in the current half-year. However, they caution that the present rate of profit growth will not be maintained in the second half.

As a hint of things to come

the directors also add that they are "examining a number of other projects with a view to enlarging APM's international

APM reveals that it has arranged further borrowings totalling A\$15m through the private placement of debentures and has negotiated a term loan from the Australian Resources Development Bank through the National Bank which will go some way to funding the group's extensive restructuring and expansion plans at its pulp and **MOTOR-IBERICA** 

## Nissan purchase breaks new ground

maker of Datsun cars and trucks, has made the largest capital investment so far by a Japanese motor company in a European motor manufacturer. The price of the 36 per cent share of Motor Iberica, of Spain, acquired by Nissan from Massey-Ferguson was just over

Discussions are being held also, on how Nissan might co-operate (or tie up) with the Spanish Government - owned heavy truck producer, ENASA, which has fallen into financial

Nissan had been trying for everal months to conclude the purchase of Massey-Ferguson's share in Therica. Its immediate goal is to use Iberica, the truck naker and Spain's largest agri- on this project has been taken cultural machinery manufact yet. Toyota became the first

NISSAN MOTOR Company, the turer, as a base to produce its own trucks for the European market (after Spain joins the Common Market). Such assembly, however, is not expected to start for one or two years,

Eventually, the Spanish company could serve as the basis for producing passenger cars for Europe. The opening of this prospect has caused sur-\$40m, it was revealed yesterday. prise in Spain.

Several other major motor manufacturers had been approached on the question of acquiring a stake in the Spanish company. Among them was Toyota, Japan's largest motor manufacturer, which declined to consider the offer.

Toyota says that it is conducting a feasibility study on the setting up of an assembly plant in Spain, but that no decision

this had also improved plant

efficiencies, some of the benefits

had been eroded by "substantial

cost increases, including those

for fuel oil supplied to the Kwinana and Pinjarra alumina

Capital expenditure during the year totalled A\$91m against

A\$53m, with a large part of the

funds going to the construction

of a third potline at the Point

Henry smelter in Victoria and

the new Wagerup refinery in

on a A\$700m-plus expansion programme in Australia includ-

ing the new WA plant, expan-

sion of the Point Henry facili-

ties and the construction of a

new smelter at Portland on the

Victorian coast. A credit line of A\$464m has been arranged

by a consortium of both local

and international banking syn-

Explaining the A\$125m re-valuation, the directors pointed

to the effects of inflation and

the fact that the last revalua-

said: "The revaluation ensures

the company accounts properly

state the replacement cost. The

profit result was not

but

charges

by revaluation,

dicates to help pay for the

expansion programme.

higher depreciation will apply from 1980."

affected

The company has embarked

Western Australia.

refineries.

Japanese company to acquire a stake in a European motor manufacturer a decade ago when it bought into a knock-down assembly operation in Portugal. The scale of this venture is small, however, and the Toyota stake is only 27 per cent. Nissan's stake in Iberica would thus appear to give it a lead over Toyota so far as European

involvements are concerned. The Nissan-Motor deal does not require Spanish Government approval—but the Government could have opposed this Japanese entry had it wished to do so.

Motor Iberica manufactures only light industrial vehicles, mainly under the Ebro mark, in addition to its better-known wide product range and enjoys reputation for aggressive

was Pta 41.8bn (\$633m), of which 30 per cent was accountented itself with a minority stake, especially if it were to invest in saloon car production aimed at the European market. The Nissan purchase scotches foreign "the project, once pressed by Market

in the loss-making heavy in this direction within the next vehicle manufacturer, Enasa, year or so. In the meantime, are a new development. For over 18 months INI has been trying to sell off its 67 per cent stake in the company, announcing plans to build a car agricultural equipment. The but despite numerous multi-company does, however, have a nationals showing interest, no agreement has been reached.

since last year to strengthen its management Turnover in 1978 non-coulty involvement with motor companies in Europe, seeking technical agreements in ted for by exports. Industry Italy, France and elsewhere. sources said that they would Nissan at present uses local be surprised if Nissan concompanies in Portugal and Italy, France and elsewhere. companies in Portugal and trucks but the local content of enough to qualify as in the Common

Motor Iberica itself, for the state-holding company INI, to buy out the Massey-Ferguson stake.

Nissan and Toyota are facing strong pressure to establish manufacturing presences in the U.S., and both companies Reports of Nissan's interest appear likely to make a move turer, Honda, has gained a lead over both Japanese giants by assembly plant in the U.S. and by signing an agreement to build a car in co-operation with Nissan has moved quickly BL at BL's Cowley works.

## Strong advance by Alcoa Australia

BY OUR SYDNEY CORRESPONDENT

LCOA OF AUSTRALIA the integrated Australian aluminium group, boosted profit by 56 per cent from A\$60.9m to A\$94.9m (US\$105m) in the year to December 31, and has revalued its fixed assets to show an ncrease of A\$125m.

Total assets of the group now stand at A\$1.28bn, up A\$282m following a year in which the group has undertaken a widespread expansion to meet expected world demand for its products later this decade,

However, Sir Arvi Parbo, the chairman, yesterday pointed out that the latest result, though impressive, represented only 15 per cent, against 12 per cent reviously on shareholders' funds and a meagre 8 per cent. compared with 6 per cent, on average total assets,

He said that domestic and overseas markets for alumina and aluminium were strong throughout the year, with total sales revenue rising 38 per cent, from A\$472m to A\$650m. Alumina exports accounted for most of the increase. Overall 80 per cent of total revenues were obtained from export sales. Pointing to the need for increased capacity, Sir Arvi said that all plants had achieved

production

market requirements. Although

## **Export-led recovery for Aiwa**

BY RICHARD C. HANSON IN TOKYO

AIWA COMPANY, which is leading seller of miniaturised plant, in South Wales. Producbuilding a mini-components stereo plant in South Wales, reported a dramatic recovery in earnings last year on the strength of its revised export policy and a much weakened

Net profit for the financial

year to November 30 came to Y244m (about \$1m), against a vear earlier loss of Y483m. Foreign exchange profits of about Ylbn were made on exports, which counted for 45 per cent of all sales. Overall sales were up 21.7 per

ent to Y38.5bn, after suffering 14 per cent decline in 1977-78. Exports rose 20.5 per cent. Aiwa, which has become

stereo equipment as well as tion is scheduled to begin in radio-cassette recorders, last June this year. The initial year turned its efforts towards capital investment will be building up its markets in £400,000 but this could rise to Europe and the U.S. with around £2m after two or three Sales striking results. Europe and America rose 53 people will be employed at the per cent. to capture a 65 per start. cent share of all the company's New per cent the previous years.

The company in effect lessened its dependence on sales in the Middle East, 1975-76. particularly Iran.
Aiwa's effort to consolidate its the industrialised market is illustrated by a deci-

Net earnings this year are

an 11.6 per cent sales increase to Y43bn. This would be the best earnings performance since

Aiwa is an affiliate of Sony Corporation, which owns more shares. The company, however, prides itself in acting indepenfirst European manufacturing dently of its parent.

## Narrower profit margins at Ciba Geigy

sion taken last year to build its

TURNOVER of Swiss chemical cent last year to SwFr 9.89bn (\$6.2bn), or by 17 per cent in terms of local cur-

According to the parent com-pany, the growth of turnover is "not fully reflected" in profits. The company attributes this to the effect on margins of worldwide cost inflation, limited opportunities to adjust selling prices, and the renew strength of the Swiss franc. renewed In the major sectors of

activity, the pharmaceutical graphic subsidiaries headed by group Ciba-Geigy rose by 11 division improved its sales by the Ilford company in the UK per cent last year to 7 per cent to SwFr 2.73bn, and the Gretag CX group based while turnover of the agricultural division went up by 8 per cent to SwFr 2.08bn. A marked rise, of 22 per cent to SwFr 1.99bn, was booked by the plastics and additives division, due partly to acquisitions. Increased demand from the

textile industry led to an 8 per cent increase-to SwFr 1.86bn turnover of the dyestuffs and chemicals division.

in Switzerland and the U.S. went Turnover of the Airwick group improved by 20 per cent to SwFr 470m.

• Interfood which owns the chocolate concerns Suchard and Tobler, has acquired a minority stake in the Belgian company, Chocolaterie Callebaut. Callebaut's turnover was BFr 2.83bn (\$100m) in 1978 and net profits Elsewhere, sales of the photo- were around BFr 90m.

## ANZ foresees year of consolidation

rarranged for all the new vest year of consolidation, but that Finance Corporation of Austrathe sels taken over last year, as well another good result could be lia. "It is not expected to be sufficient fully to recover a significant contributor to increases in banking costs. He group lifted group earnings," he said, but described the year ahead as lifted rose considerably during profit from A\$76m to a record added that in the longer-term difficult, but said that the management was endeavouring in the relation. A\$107m (US\$119m). This "directors are confident the two management was endeavouring the relation and the fleet's cents final dividend, making partnership, particularly in group's income base.

### BY OUR SYDNEY CORRESPONDENT been chartered at improved, THE ANZ Banking Group 22 cents for the year. South Australia where we are grates, while the group's tankers expects to receive no signi- On the Bank of Adelaide, Sir now the dominant banking

Erates, while the group's tankers expects to receive no signi. On the Bank of Adelaide, Sir now the dominant banking size employed on satisfactory ficant contribution to this year's Ian indicated that there were group."

Echarters for the first part of the recently many problems to be sorted out acquired Bank of Adelaide. Sir — within the bank, which has outlook for the Australian acquired Bank of Adelaide. Sir — within the bank, which has outlook for the Australian EGross freight earnings reached Ian McLennan, the chairman, extensive exposure to real economy, Sir Ian said that some exists the same as told the annual meeting in estate loans through its wholly upward adjustment to lending in 1978. Finance has been Melbourne that it would be a owned finance subsidiary, rates seemed inevitable, but rairanged for all the new year of consolidation, but that Finance Corporation of Austra-

record

## Amsterdam bourse may revise OTC rules

BY CHARLES BATCHELOR IN AMSTERDAM

At present, the Dutch secondary market is governed by prices grawn up by two Dutch would make it easier for companies to move on to the official strength of a revised stock exchange. It is not expected to deter companies seeking an unofficial listing, since they generally accept that they will be required to give more association to carry out a secondary market. The publication of company market more attractive to investors, said Mr. H. J. which is according to Mr. H. P. Quarles association to carry out a carry out a

THE AMSTERDAM Stock exchange members who the secondary market. There A two-tier secondary market would make it easier for comparing the actions are carried out, price tively small number of more actively small number of more movements, and publicity actively traded stocks for which transpared the movements. The secondary market tougher regulations apply than the mass of regulations are carried out.

### THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

FOR AND ON BEHALF OF

### THE ISLAMIC REPUBLIC OF PAKISTAN

U.S. \$57,000,000

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THE STATE BANK OF PAKISTAN

CITICORP INTERNATIONAL GROUP THE HONGKONG AND SHANGHAI BANKING CORPORATION MANUFACTURERS HANOVER INTERNATIONAL BANKING GROUP NATIONAL BANK OF PAKISTAN 

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BANKING CORPORATION MANUFACTURERS HANOVER TRUST NATIONAL BANK OF PAKISTAN BANK OF NEW SOUTH WALES

MIDDLE EAST BANK LTD.

<u>gas II dan ib</u> septim di memba CITICORP INTERNATIONAL BANK LIMITED

JANUARY 1980

Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 21st January, 1985 THE DAI-ICHI KANGYO BANK, LIMITED ,h the provisions of the Certi from Merrill Lynch International Bank Limited Agent Bank

U.S. \$25,000,000

### KANSALLIS-OSAKE-PANKKI (Incorporated with limited liability in Finland)

U.S.\$30,000,000 Floating Rate Capital Notes 1983 Notice is hereby given pursuant to the Terms and Conditions Notice is hereby given pursuant to the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 23rd January, 1980 to 23rd July, 1980 is at the annual rate of 14½ per cent. The U.S. Dollar amount to which the holders of Coupon No. 6 will be entitled on duly presenting the same for payment will be U.S.\$73.9375 subject to appropriate adjustment thereto (or the making of other appropriate adjustment thereto whether the Piscel Agent arrangements of whatever nature) which the Fiscal Agent may make, without further notice in the event of an extension or shortening of the above-mentioned Interest Period.

European Banking Company Limited European-American Bank & Trust Company 80. (Agent Bank) 22nd January, 1980.

BANCO DE LA NACION ARGENTINA U.S.\$30,000,000 Floating Rate Notes 1983 Notice is hereby given pursuant to the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined from 23rd January, 1980 to 23rd July, 1980 is at the annual rate of 142 per cent. The U.S. Dollar amount to which the holders of Coupon No. 4 will be entitled on duly presenting the same for payment will be 18873 04 subject to approach the same for payment will be US\$73.94 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which may be made in accordance with the Terms and Conditions, without further notice in the event of an extension or shortening of the above-

mentioned Interest Period.
European Banking Company Limited

## WORLD STOCK MARKETS

Companies and Markets	WORLD STOC	
Stock	Section   Company   Comp	STOCKE or Wall, first and street production of the control of the
Trading Vol	Marrolit.   2714   27	Print   Comment   Commen

uary 22 1960 F

### First offer of Russian timber

EXPORTLES, the Soviet state selling organisation for forest products, has circulated its first affer of softwood for 1980 shipment to UK importers. Prices gveraged over the five main grades show a rise of around 14 per cent. The nominal quantity offered is 330,000 cubic metres. Importers have until January 25 to make their applieations. In contrast to the past few years, this year's offer is priced in straight sterling with no special clause linking prices

to any other currency. First reactions from softwood importers were that the timber was competitively priced but that there would not be the same rush to buy that has been seen in the past two years. The sbsence of a currency clause means that if sterling rises in value then comparative Scandi-navian stocks will be cheaper unless there is a continued rise in world prices. The fact that the timber now offered is for July/August shipment—early in tion that a second schedule can he expected at prices which would reflect any subsequent change in world prices.

The Russian selling organisation has already indicated that the total amount of softwood available for sale to the UK this year will probably be around 11m cubic metres, a reduction of about 20 per cent on 1979. Bearing this in mind it is expected that after reflection the trade here will take up the full amount of the first offer with sufficient enthusiasm to give sellers the opportunity of adding to the nominal quantity if they

### Bank boosts **Royal Show**

CATTLE PRIZES at this year's Royal Show will be increased by about 30 per cent thanks to sponsorship worth £20,000 from the National Westminster Bank This will bring total prize money for all classes of livestock to nearly £50,000,

The NatWest's money is also being used to hold entry fees at the 1979 level and to improve exhibitors' facilities.

Mr. Arthur Williams, senior executive of the bank's agricultural unit, said in London yesterday that the sponsorship confirmed NatWest's commitment to the agricultural indus-

## **Speculators drive copper** price to record level

BY JOHN EDWARDS, COMMODITIES EDITOR

new peaks on the London Metal gold and silver. Exchange yesterday after a new . wave of heavy speculative buying. Traders claimed that the suspension of trading on house stocks up by 640 to 2,820 the New York silver market — tonnes. The announcement by the New York silver market — and the subsequent announcement that dealings there would on Friday that further talks the mounting speculation in be confined to liquidating were to be held in February gold and silver particularly. be confined to liquidating existing sales and purchases only triggered off more interest in the base metal

In any event copper three months wirebars jumped by £85 to a record £1,412.5 a tonne. Even more significantly cash wirebars gained £121.5 to £1,318.5. Although this is below the all-time peak of £1,400 reached in early 1974 it gives credence to reports that some powerful speculators are taking. actual delivery of copper rather than just buying "paper"

At the same time the shrinking availability of copper stocks fell by 96 to 6,318 tonnes; zinc in the LME warehouses was stocks too fell by 1,325 to emphasised by yet another 46,500 tonnes. Aluminium decline last week — a fall of stocks increased by 3,800 to 2,900 tonnes cutting total hold- 25,700 tonnes and LME silver ings to 120,125 tonnes. Much holdings rose by 80,000 to of these stocks are thought to be in strong hands, and if.

COPPER PRICES surged to be severely squeezed just like (Comex) has been confined to

Other base metals also
advanced strongly. Cash tin
gained £110 to £7,650 a tonne,
despite a sharp rise in warehouse stocks up by 640 to 2,820
tonnes. The announcement by
the first suspension came
amid signs of growing concern
the first suspension came
amid signs of growing concern
the first suspension came
tonnes. The announcement by the International Tin Council with the U.S. on stockpile sales of tin sparked off fears that the stockpile releases might be delayed once again.

Lead continued its recent recovery in spectacular fashion with the cash price jumping by 40 to £539 a tonne. Warehouse stocks declined by 825 to 16,400 tonnes and there is now a new squeeze on nearby supplies.

Nickel prices rose on renewed rumours, yet to be con-firmed, that another producer imminent Cash nickel closed £90 up at £3.020 a tonne. Warehouse stocks of nickel

13.020.000 ounces.

Stewart Fleming writes from

liquidation of existing positions

in the futures markets about On Friday the International Monetary Market of Chicago's Mercantile Exchange raised the margin which investors must put up against a gold contract to \$9,000. A year ago it had been \$1.200.

The IMM in Chicago has also widened dramatically the limits within which gold can trade on a single day to the point where if the daily limit (which has been increased from \$20-50) is repeatedly broken trading can take place on the fifth day without price limit.

These steps raise significantly the risk to traders and are clearly aimed at trying to damp down volatility somewhat. There are fears that the gold market which has risen dramatically could also fall sharply, perha traders' finances. perhaps straining

At the beginning of the month Comex introduced new Middle East speculators acquire New York; silver trading on the rules almed at curbing silver large holdings the market could New York Commodity Exchange speculation.

## Boycott grain to be bought up

Carter ordered the Federal Government to buy much of the President wants Congress to 2.5m tons of maize and wheat which American longshoremen have refused to load for shipment to the Soviet Union. The International Longshore-

men's Association began a boycott of Soviet crop shipments two weeks ago to protest at the Soviet Union's incursion into Afghanistan. Mr. Stuart Einzenstat, White House domestic policy adviser,

announcing the action said it was being done to relieve congestion at ports and grain elevators and to protect farm Mr. Eizenstat said the Depart-

with grain exporters to divert unshipped grain to fill orders Peace programme.
from other countries.

Meanwhile Braz He said any wheat which can-

security reserves which the create.

Unshipped maize and soyabeans will be used to expand the U.S. Food for Peace programme which the President will ask Congress to increase by 450,000 tons in the current financial year, ending September 30, and by another 450,000 tons in fiscal 1981.

cials said the wheat, maize and soyabeans at ports or in trains and barges would stay there unless they could be sold to other export markets. The CCC would buy offsetting

amounts of the commodities at ment of Agriculture would work local markets to be used by the food reserve or by the Food for cially informed the Administra- Soviet Union last year, 32,000

not be switched wil be bought tion that it will not take any in 1978, 552,000 in 1977 and by the Agriculture Department's measures to stop soya sales to 1.16m in 1976.

Comoundity Credit Corporation the Soviet Union, but it will not Reuter

take any specific steps to replace U S. sales either, the Foreign Ministry said in Brasilia.

The official reply follows a meeting last Monday in Wash ington between the U.S., Brazil and Argentina where they dis-cussed the U.S. decision to suspend grain and oilseed sales to the Soviet Union.

The Ministry said trade with the Soviet Union would continue normally, Brazil would Agriculture Department offinot place any artificial restraints on its soya sales, nor would it take advantage of the U.S. boycott.

Brazil could have up to 2m tonnes of soyabeans and around 500,000 tonnes of maize for export in the coming marketing year starting in March. Some of this could go to the Soviet Union. Brazil shipped 45,300 Meanwhile Brazil has offi- tonnes of soyabeans to the

### New peak in sugar market

WORLD SUGAR values climbed to a new 31-year peak yesterday. In the morning the London daily raws price was lifted £1 to £193 a tonne and at the close the May position on the futures market was quoted at £200.725 a tonne, up £1.375.

Dealers said the continued

rise appeared to be influenced by the early advance in gold. Other soft commodity markets were quiet, however. Cocoa was unsettled by an

announcement in Rio de Janerio that Brazil has not yet finalised its new crop marketing policy despite freeing 300.000 bags of beans and products for export. The May position ended the day £13 down at £1,437.5 a tonne. In Accra, meanwhile, the Ghana Cocoa Marketing Board said it purchased 22,848 tennes of cocoa in the 14th week of the 1979-80 maincrop season ended January 17. In the 13th week of the

season, purchases totalled 22,195 tonnes. Cumulative purbchases for the season to date are now 228.890 tonnes. The latest figure compares with purchases of 11,826 tonnes in the 14th week of the 1978-79 season ended January 11, 1979, and cumulative purchases to that date of 211,595 tonnes.

### Malaysia seeks rubber pact headquarters

BRITAIN HAS been asked to back Kuala Lumpur as the pros pective site for the headquarters of the new International Natural Rubber Agreement. The UK Government has been

pressing for the Agreement to be based in London. However, at a meeting in Kuala Lumpur yesterday Mr. Paul Leong, Malaysia's primary industries minister, told Mr. Peter Blaker, UK Minister of State for foreign and commonwealth affairs, that Kuala Lumpur had the backing of virtually all rubber exporting members and 44 per cent of the importers.

In Washington meanwhile, officials at the Federal Emergency Management Agency (FEMA) denied rumours circulating in London and far east markets that the U.S. was planning a near-term supply build-up, specifically in its natural

### AGRICULTURAL DEVELOPMENT

## Financial wrangles hit farm aid talks

AT THE third governing council meeting of the International Fund for Agricultural Development (IFAD). most of the interest centred on an issue that was not even on the agenda the future level of OPEC's contributions to the Fund.

After the announcement last Wednesday from Vienna of the enlargement of the OPEC Special Fund it was hoped that Ibrahim Shihata, its director, would release details of an increase in OPEC's funding of IFAD. But Shihata did not address the meeting which ended with a general resolution, characterised by Jamaica as weak," committing all member nations to replenish IFAD's funds by an unspecified amount. Earlier in the four day meet-

ing the U.S. delegate, Thomas Ehrlich, had called upon OPEC Iranian countries substantially to increase their contributions to IFAD to take into account "the uniquely favourable circum-stances of the oil exporters and the onerous problems created of oil production was 8m barrels revert to the initial proposal of for developing countries un a day.

appeared <u> 1111-</u>

It was pointed out that any substantial increase in OPEC's contributions would have to be borne by Saudi Arabia, Iran and Venezuela. It was unrealistic to expect increases from OPEC countries such as Ecuador, Gabon and Indonesia when their level of development entitled them to assistance from IFAD. Among the anomalies between the relative contributions of OPEC and the West are Canada's \$27m grant to IFAD compared with Nigeria's \$26m.

and Algeria's \$10m grant com-

pared with Australia's contribu-

tion of only \$8m. It seems that the position of Iran was the principal cause of OPEC's reticence at the meeting. Under the Shab, the Saudis, on the other hand, pledged \$105m when their level

majority of Western delegates, stepped up production to 9.5m ing level of 43:57.

though OPEC and Third World the West 57 per cent (\$590m). barrels a day. So a commitment to a specific increase in OPEC funds for IFAD awaits internal agreement on the Iranian issue. A second problem arising

appears to have been solved to the general relief of IFAD deledelegates on Friday morning the Iranian Ambassador informally indicated that Iran had every intention of paying in full the \$125m promised to IFAD by the

When IFAD was initiated in 1976 OPEC put up \$400m on the condition that the developed countries would put up \$600m. After some six months of wrangling, during which the West hoped for a 50:50 ratio, it was agreed that OPEC should Iranian Government had put up 43 per cent (\$435m) and pledged \$125m to IFAD at a the West 57 per cent (590m). time when Iran was producing In the coming negotiations, 6m barrels of oil a day. The now that the principle of replenishment has been endorsed, it is expected that OPEC will 40:60 while the West will fortunately required to import The Iranians have now demand a 50:50 ratio. Inevit-petroleum." The U.S. statement reduced oil production to 3.5m ably a compromise figure will be reflected the feelings of the barrels, while the Saudi's have reached, probably at the exist-

## French view of EEC farm crisis

BY JOHN CHERRINGTON IN BRUSSELS

the French Minister of Agricul- cause of the surplus. ture, yesterday gave French TV viewers his view of the present situation in the negotiations leading up to the next Community price review.

dom never granted to any British Minister by the BBC with a succession of captions that althoung the milk production of the Community and its farmers could if they felt like cost had escalated France's own proportionate increase had at present only cost the Com-been much smaller than that, munity less than a fifth of the

MAKING WHAT could well be Netherlands. He took no notice tactical retreat from a lunch- of, or perhaps did not hear, my this Mr. Cherrington," time confrontation over lamb own contribution to the effect with UK Agriculture Minister that because France had double Peter Walker and the EEC the number of dairy cows the Farm Commissioner Finn Gun- French production increase in delach. M. Pierre Mehaignerie, sheer quantity was a material This production increase, he

continued, came mainly from the larger more industrialised dairy farms. The average small French dairy farm of about As a participant myself on a nine cows had no alternative very vague line from here I and any co-responsibility levy watched amazed as with a free-such as the Commission is proposing should only apply to the larger and more irresponsible M. Mehaignerie demonstrated farms in Britain or elsewhere. It was really a social question, he said, and large

it go to cereal production which for instance, of Britain and the cost of the dairy regime.

And what do you think of this Mr. Cherrington," he asked. "Well," I said, "if the Common Agricultural Policy is as you say a social measure should not the excessive costs and their cures be made a national and not a Community responsibility? Our own Mr. Walker," I continued, "had been floating this recently and also several suggestions have been made of having quotas on a national basis so that each country would be responsible for its own surpluses." was no reply.

I continued: "When are you going to open the market to British lamb?" I got the same answer as Mr. Walker has had on the same subject lately to the effect that it was a social problem and nothing should be done too quickly.

### BRITISH COMMODITY MARKETS

BASE METALS

by forward metal in hectic trading on the London Metal Exchange. Forward metal opened at C1.230 and surged ahead to touch a peak of £1,330 around

2 £ £ 1295-8 +144 1518-9 +121 1295-5 +106, 1312-3 +85 1298 +145 ----

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ASSEASO,

5-1

. Less E

cash £1,250, 57, 55, three months

Afternoon: Wirebars, cash £1,318, three months £1,323, 20, 21, 20, 19, 18, 19, 20, 22, 23, 24, 23, 25, 27, 28, 26, 25, 20, 19, 15, 17; 16, 17, 19, 17; 16, 15, 14, 18, 15, 13, Cathodes: cash £1,275, unchine as heavy speculative buying 14, 16, 15, 13. Cathodes: cash £1.275, more than outweighed heavy trade salling. However, the profit-taking geined the upper hand on the late kerb 94, 90, 87, 85, 89, 88, 90, 95, 97, 98, where forward metal finally traded at 98, 1,300, 1,296, 95, 93, 96, 97, 98, TIN C

•			<u>'</u>		
1	High Grad	7630-48	£ +55-	£ 7640-50	
:	õ montha Settiem't	7640	+ 116 +50	7530-60 — .	+195
į.	Standard Cash 3 months	7630-40	-55 +125	7640-60 7530-50	+ 118 + 145
5	Settlem t Straits E.	7640 <b>;\$</b> 2192	+50	_	
•	NewYork stocks.	However.	renev	ved fresh	buy-
3	ing stead	led the br	ice ii	the after	ubou

I.G. Index Limited 01-351 3466. 29 Lamont Road, London-SW10 0HS. 1. Tax-free trading on commodity futures.

No. 002602 of 1979
IN THE HIGH COURT OF JUSTICE
Chancery Division CONSOLIDATED PLANTATIONS LIMITED

CONSOLIDATED PLANTATIONS LIMITED

and Re:

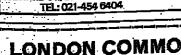
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 17th day of December 1978 confirming the reduction of the capital of the abovenamed Company from E70,000,000 to 224,371,584,60 and the Minute approved by the Court showing with respect to the capital as altered the several Perticulars required by the Registeral of Companies on the 20th day of December

s. ared the 18th day of January 1980. LINKLATERS & PAINES, Solicitors to the Company.

PROMOTIONAL GIFTS ■ Key Rings
■ Paperweights ● Cuff Links ● Badges etc SEND YOUR COMPANY LETTERHEADING FOR FREE DESIGN & SAMPLE

Manhattan-Windsor



updated to Friday's closewith 5/10/20 day moving LEAD—Sharply higher on short-covering and fresh buying prompted by the upsurge in copper and the initial age in sold. After opening higher at

•		recast ris		kerb. Ti
a.m. Official	- or	p.m. Unofficial		LEAD
£ 7650-48	£ +55	£ 7640-50	£	
7640 7640		7580-60	+145	Cash 3 months
70-10 7630-40	-	7640-60		S'ment U.S. Spot
7490-5	+125	7530-50	+ 145	Morning
	+50	<b>–</b> .		£497, 98, 08.5. Ke
_	1	,		12 15 1

Three month Copper 1295-1305

2. The commodity futures market for the small investor.

CORAL INDEX: Close 455-469 (-2)

### **INSURANCE BASE RATES** Property Growth ...... 151% † Vanbrugh Guaranteed ...... 141%

† Address shown under Insurance and Property Table.

### LEGAL NOTICES

No. 002801 of 1979
IN THE HIGH COURT OF JUSTICE
Chancery Division SIME DARBY HOLDINGS LIMITED HE COMPANIES ACT 1948

THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 10th day of December 1979 confirming the reduction of the capital of the abovenamed Company from £100,000,000 to £57,488,102.70 and the Minute approved by the Court showing with respect to the capital as altered the several Particulars required by the above-named Act were registered by the Registrar of

1979.
Dated the 19th day of January 1980.
LINKLATERS & PAINES,
Solicitors to the Company.

### LONDON COMMODITY CHARTS

28 Panton Street, Cambridge CB2 IDH Tel: Cambridge 356251

Morning: Standard, cash £7,650, 60, 70, 65, 60, 50, three months £7,440, 50, 60, 50, 70, 80, 90, 7,500, 7,495. Kerb: Standard, cash £7,840. Afternoon: Standard, three months £7,500, 7,495, 7,500, 15, 20, 30. Kerb: Standard, three months £7,520, 30.

in gold. After opening nigher at forward metal lifted to touch £525 a afternoon before profit-taking the price to £515.5 on the late Turnover 12.860 tonnes.					5 10,000 oze. Morning: Three 2,160, 50, 40, 30, 40, 50, 70, 70, 70, 70, 70, 70, 70, 70, 70, 7			
G.	a.m. Official	+ or -	p.m. Unoffic i	+ 01	Three months 2,110, 15, 2, 2,080,			
nths	500.5-7	£ +25 +15,2 +23	538-40 523-4	+40	COCOA  Opening a little steadler that pared, futures failed to hold to			

Morning: cash £520, three months £457, 95, 99, 500, 01, 02, 06, 07, 08, 08.5. Kerb: three months £509, 10, 13, 15, 16, 18, 17. Atternoon: cash, three months £520, 21, 22, 23, 24, 28, 24, 25, 24.5, 24, 25, 24, 23, 22, 23	sass duce down tradi phys repo
Kero: three months £523, 22, 21, 20, 19, 18, 16, 12, 14, 12, 10, 15, 13, 14.	CC
ZINC Higher in line with other base- metals, with forward metal moving up to £357 prior to closing the late kerb	Marc May

metals, w to £367 p at £365.	rior to c Turnover	iosing 8,62	the late tonnes.	ker
ZING	a.m. Official	+ 01	p.m. Unoffici'i	# <u>-</u> °
Cash 5 months S'ment	366-7 . 353		344-6	+4 +4.

e monta S'ment. Primw't	353 21	+20	*57.5	-
Momin	g: cash . 59.5, 6	£351,	three n	10N1
65, 65.5,	,66, 67. rea mont	68, 67,	66, 66.	5, 1
noon: .th	rea mon Kerb: ti	ths £367	, 66, 6	5, 1
64. 65.			<b>_</b>	-• .

mover.	tonn	8¥.				
min'm	a.m. Official	† + or -	p.m. Unoffic'i	Ħ		
ot Tontha	934-6 930-1	£ + 15 + 12,5	230-1 927-8	+8		
forming: three months £931, 32, 30.5, 32, 34, 33, 32, 33, 31, 30,						

Kerb: three months 2933, 32. noon: tash 2937, three months 33, 34, 33, 31, 29, 28. Kerb: months 1927, 29, 28, 28.

uickly n asing to n the a opper provinch ros arb at £	metal operated up 13,090 of ternoon ompted g. 13,125, af 798 tonne	to Enthe mether the shood buy, to ske	3.110 b noming arp gai ring of m ase the	ki n ile
NICKEL	e.m.	+ or	p-m-	ļ

Morning: three months £3,100, 3,090, 5, 90. Kerb: three months £3,090, the most three months £3,110, 15, 10,

Silver was fixed 27.55p an ounce lower for appt delivery in the London builton market yesterday at £21.374. \$48.721, down \$1.014; and 12-month SILVER Buillon + or L.M.E. per foxing - p.m. troy oz. price Unoffici'i

Spot 2137.40 3 months 2153.95 6 months 2148.65 12months 2184.95	ip –81,1 . 2107,6 ip –46,4         —	10-55 
LME—Turnover 10,000 oze. Mor 2,160, 50, 40, 30, 4 Three months 2,18 months 2,180, 85, 85, 2,100, 10, 20, Three months 2	ning: Three : 0, 50, 70, 75. 30. Afternoon: 80, 79, 80, 1	months Kerbs: Three 78, 60, Kerbs:

pared, futures failed to hold the initial trading levels and ended a lacklustre as so fine day. Producers declined to follow the market down and with the exception of light trading for the nearby positions physicals continued to be ignored, 24.5, 24, 25, 24, 23, 22, 23.

GOGOA	Yesterd'ys Close	+ or	Business Done
March May July Sep Dec March May May	1437-38 1443-45 1460-55 1491-94 1514-80	-13.0 -14.5 -11.0 -8.5 -6.0	1456-45 . 1475-57 1505-149 1525-20
Sales: 1,1	93 (1,776) nal Cocc	lots of	10 tonnes

Jan. 18: 144.81 (144.18); Indicator price Jan. 21: 15-day average 143.12 (143.36); 22-day average 144.44 (144.35).

After trading slightly higher, basis March and May robustus soon weakened in mixed dealings during an

GRAINS LONDON GRAIN FUTURES — The market opened higher. Volums was mainly in the March-May spread with good demand for the spot months. In the afternoon session trade slowed down clightly reported Acid. BARLEY

Yest'rdays' + or Yest'rday + or close — Jan... 97.20 +0.50 94.80 Mar. 99.95 +0.05 96.90 May. 104.20 -0.05 100.90 Nov... 100.80 +0.05 97.50 Nov...' 100,80 +0.05 | 97,50 -0.05 Business done-Wheat: Jen. 97.30-97.10, Mar. 100.05-99.95, May 104.35-104.20, Sept. no trade, Nov. 101.00-100.80. Sales 165 lots of 100 tonnes. Barley: Jen. 94.30-94.10, Mar. 97.00-98.90, May 101.10-100.90, Sept. 94.25-94.25, Nov. 97.75-97-50. Seles 278 lots of 100 tonnes. IMPORTED—Wheat: U.S. Dark Nor-thern Spring No. 2 14 per cent. Jen. tight of the control of the control

French Jan. 115.50, Feb. 116.00 tren-

April 103.50, April-June 105.50 transhipment East Coest. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 93.90, E. Midlands 93.10, N. East 94.00, Scotland 90.00. Other milling wheat: Eastern 98.00, E. Midlands 97.00.

The London physical market opened steady with good speculative interest throughout the day closing on a firm note. Lewis and Peat reported a Malaysian godown pncs of 348 (342) cents a kg (buyer, February).

Sales: 532 (1,201) at 15 tonnes: 13 (44) at 5 tonnes.

lo. 1 l.S.S.	Yest'rdays Close	Close	Done
r.Jne Sept t-Dec n-Mar r-Jne -Sept	\$0.50-81.50 \$1.20-81.40 \$2.00-83.00 \$6.20-85.00 \$6.28-86.25 87.75-87.85 89.60-89.20 \$0.35-90.80 \$1.50-92.50	80,80-81,0 82,20-82,4 85,90-84,0 86,60-85,4	0¦89 <b>.00-</b> 87 <b>.</b> 60 0¦ — 0  —

Physical closing prices (buyer) were: Spot 80.50p (80.00p), Fab. 76.50p (76.75p), March 77.50p (77.75). SOYABEAN MEAL The London market opened £1.00 easier on stronger sterling, reported T, G. Roddick. During the attemoon session brices firmed on light trade buying to close the market on the higher of decisions of decisions of the state of th

ghs of day.									
	Yest'rd'y Close	+or	Business Done						
ebruary pril ugust ctober	118,50-18,9 116,40-16.9 117,50-18,5	-0.60 -0.45 -0.60 -0.55	118.00-17.76 116.80-16.00 117.50-17.20						
hnistv	120_56_22 B	_0.85	120.50						

SUGAR LONDON DAILY PRICE (raw sugar): £183.00 (£192.00) a tonne cif for Jan-Feb.-March shipment. White sugar daily price was £193.00 (£196.00).

First trades were around pre-week-end levels but prices acon moved shead and gains of up to £3.00 were quickly recorded. Later further gains of up to £2.00 were recorded but profit-taking developed which reduced them by the close reported C. Czamikow. Sugar Pref. Yest'rdays Previous Business Comm. Close Close Done

March 186,00-88,25 197,85-97,85 280,00-185.0 May...... 208,78-00.75 188,50-188,4292.96-187,0 Aug...... 201,30-91,35 290.15-08,20202,75-188.0 Oct...... 281,80-02,00 188,65-98,90)202,75-198.0 Seles: 8,671 (8,042) otts of 50 tonnes. Tata and Lyle ex-refinery price for granulated basis white augar was 2318.70 (ame) a tonna for home trade and 2267.50 (2286.50) for export. International Sugar Agreement (U.S. centa per pound feb and stowed Caribbean port). Prices for January 18: Daily price 17.96 (17.67): 15-day average 15.73 (15.59). NO. 4 CONTRACT—Closa (in order buyer, seller only): May 199.30, 199.75; Aug. 200.00, 201.00; Oct. 200.00, 201.00; Jen. 200.00, 201.00; March 201.00, 204.00; May 201.00, 204.00. Sales: 627 (2.324). order buyer, saller, business, sales):
April 20.00, 201.00, 201.00-200.00, 38;
July 203.00, 205.00, 205.75, 15; Sept. 203.00, 208.00, nil, nil; Nov. 204.00, 208.00, nil, nil; April 200.00, 208.00, nil, nil; Sales 53

200.00, 208.00, nil, nil. Sales: 53. WOOL FUTURES BRADFORD WOOL-Treders reported

### PRICE CHANGES

n tonnes un	less other	rwise	stated.	bearish ca
				reports re
	Jan. 21	+ or	Month	and soyat
	1980	<del>-</del>	890	and finis
	l	1	!	Coffee p
			<del></del>	steady pri
	l	1 :	i :	of lower
tais i	0770-016	!	£760 70	present.
minium ree Mkt (es)	12/19/6/0 181650:1650		E700 70	because
ree MKE (83)	å resett 1986		18 1136118	chases in
oper	£1.318.5	+121.5	£1007	and comm
ash w'bar	£1.318.6	+85	£1005.5	prices. P
	od OBC	+108.5	£1005.5 £976	markets y
mths d troy oz	£1,287	+88	£988.5	erratic tra
d troy oz	\$825	_10	8469 £529	or near
d cash	£539	+40	£529	commission
mthe	2325.5	+33	£513.5 £3.260.17	change ru
kel emkt(cif (ib	200 200 E		270/318c	dation on
emicz(cit (ib)	OUDIOZOC	+10	5 1 D J D J D D	month up
tin'mtr'y oz	£189 A		6105	closed si
ree mkt	₽407.0		£280,90	taking wit
ckeil'ver	X4UD/415		8375:388	the limit.
er troy oz	2137.40p	-27.65	1067.45p	Copper-
months	2153,95 <sub>p</sub>	-51.1	1106.45p	Feb. 138.
Cook	27 650 T	<b>±110</b>	£7,520	May 140.
Cash mths,	£7.540		£7,345	143.50, De
gsten22.84%	\$138		\$137,75	March 14
Ifrm 22.04 /be	8140/144		\$199.5:184	148.80, S
c cash	£345	+4	\$129.5/184 £843	5Wheat-
months	£361	+4.5	£351,25	tein cont
roducers	\$780		£351,25 \$780	(241.60).
1		1		
conut (Phil).	8920c	+5	8875	Potatoes
undnut			1	(61.0), A
undnut seed Crude.	Ė		£395	79.4, Nov.
m Malayan.	8 <del>69</del> 03	+15	\$555	Tin810
da '	i		ı <del>-</del>	805.00).
Bhille !	\$600		\$575	Lard—C
absan(U.S.)	\$288,75r		\$292.10	New York
dan l			i	
ley Futures	£96.90	+0,10	£97,86	Live Ca
Z8			l	April 66.3
nch Nosam	<b>‡</b> .		£120	Aug. 68.90
at 1 Red Spg.	ŧ			Jan. ——, Liva Ho
. 1 kec apg. 2HardWint.	F04 25-	_0.5	C105 30	TAB 140
g. Millingt	1	-0,0	±	
- :	- :		. •	
er				<b>EUR</b>
commodities coa ship, L	21.507	_10	£1,570	
iture May.	£1,487.5	_1ž	£1,509.5	Wheat-
		=-		

r Jan-Feb. s Feb. v Feb.-Merch t March-April. u April w May. z Indi-cator. § Buyer.

and firmer in tons. International uncertainties appeared to have a gradually increasing impact and today's sharp rise on the Sydney futures market emphasised this.

LONDON GREASY WOOL—Close (In order buyer, seller only). Penca perpund. Mer./May/July/Oct./Mer./May/July all 232.0, 242.0,

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). Mer. NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). Mar. 188.0, 198.0, May 188.0, 198.0, July/Oct./Dec./Mar./May/July all 187.0, 187.0. SYDNEY GREASY WOOL—Close (in order buyer, seller, business, seles). Australian cents per pound. Micron contract: Mar. 463.0, 464.0, 465.0-453.0, 150. May 488.0, 489.0, 490.0-477.5, 512. July 521.5, 525.0, 521.5-514.0, 661; Oct. 519.0, 517.0, 517.0-498.0, 205. Dec. 518.0, 524.0, 525.0-504.0, 225. Mar. 515.0-traded, 518.0-504.0, 33 May 518.0, 525.0, 615.0-515.0, 1; July 519.0, 525.0 untraded. Seles 1.838.

**MEAT/VEGETABLES** 

MEAT COMMISSION—Average ist-stack prices at representative markets on Jan. 21. GB—Camb 80.87p per stock prices at representative markets on Jan. 21. GB—Cettle 80.87p per kglw (+0.97). UK—Sheep 137.3p per kgsw (+2.6). GB—Pigs 68.9p per kglw (+3.8).

SMITHFIELD—Pence per opund. Beef: Scottish killed sides 63.0 to 68.0; Eiro hindquarters 74.0 to 78.0. (erequarters 46.0 to 49.0. Veal: English fats 80.0 to 87.0; Dutch hinds and ends 110.0 to 114.0. Lamb: English small 54.0 to 62.0, medium 50.0 to 58.0, heavy 40.0

COVENT GARDEN-Prices in sterling

### AMERICAN MARKETS

NEW YORK, January 21. April 39.30-39.15 (39.62). June 42.15-THE LIVESTOCK complex was limit 42.00, July 43.15-43.10, Aug. 42.25, Oct. down or sharply lower following 41.60, Dec. 44.10, Feb. 45.97, April 54.50 certile on least and end of the complex comp assure as long as anticipation
Brazilian export prices is
Cocoa sold off sharply
of improving interior purn Ghana. Overseas buying
mission house interest helped rront-taking in cotton left the with minor game in a highly rade. Copper closed limit up I imit up on the strength of ion house buying. An excluding to trade silver for liquinity has kept all but the sporup the limit. Gold markets sharply higher despite profit only the distant months up

CHICAGO, Jenuary 21.
Chicago loose 21.25 (21.00)
k prime steam 22.75,
attle—Feb. 63.00-62.90 (64.07),
35-68.50 (67.85). June 68.97,
0. Oct. 67.50-67.60. Dec. 68.80,
- Feb. —.
093—Feb. 40.10-40.30 (40.45).

45.55. ##Maize—March 271-271<sup>3</sup>2 (273<sup>3</sup>4), May 284-284<sup>3</sup>4 (286<sup>3</sup>4), July 232<sup>3</sup>2-293, Sept. 301-300<sup>3</sup>4, Dec. 308<sup>3</sup>4-308<sup>3</sup>5, March Silver—Jan. 4725.0-4750.0 (4725.0), Feb. 4145.0 (4025.0), March 4177.0, April 4212.0, June 4259.0, Aug. 4303.0, Oct. 4350.0, Dec. 4395.0, Feb. 4435.0, April 4490.0, June 4525.0, Aug. 4570.0, Oct. 4615.0, Dec. 4880.0, Feb. 4705.0, April 4717.2 June 4705.0, Aug. 4570.4

, reported Heinold, reported Heinold, reported Heinold, reported Heinold, replaced H

25.20.

as (round whites)—March 61.6
April 68.2 (68.1), May 79.1

.v. — Sales: 321.

10.00-825.00 asked (795.00
Cuicago January 21.

All cents par pound ex-warehouse
April 68.2 (68.1), May 79.1

452½-453 (459¾), July 461.461½, Sapt.
473. Dec. 491-491½, March 506.

WINNIPEG, January 21. §Barley—
March 118.70 (118.70), May 116.80

All cents par pound ex-warehouse

All cents par pound ex-warehouse CHICAGO, January 21. Chicago loose 21.25 (21.00). k prime steam 22.75.

Oct. 4615.0, Dec. 4860.0, Fab. 4705.0, April 4757.2, June 4796.0, Aug. 4836.5, Soyabaans—Jan. 649 (655), March 663-662 (670\frac{1}{2}), May 684-683\frac{1}{2}, July 703\frac{1}{2}-705, Aug. 712, Sept. 720\frac{1}{2}, Nov. 731\frac{1}{2}-731, Jan. 749, Soyabaan Maai — Jan. 187.00 (186.00), March 186.20-186.50 (189.50), May 189 87.190 (180.00)

Brezil Yellow FAQ unquoted. Argentina unquoted.

### 95 5 pogs—fab. 40:10-40.30 (40.45), dozen. OPEAN MARKETS

ROTTERDAM, Jan. 21.
Wheat—U.S. No Two Dark Hard
Winter wheat 13.5 per cent Feb. \$195,
Mar. \$197. U.S. Hard Winter Wheat
ordinary unquoted. U.S. No Two Red
Winter wheat Feb. \$200, Mar. \$202.
U.S. No Two Northern Spring wheat
14 per cent Jen. \$203. Feb. \$209.50,
Mar. \$212, April May. \$203. May. \$409.50.

Soyameal 44 per cent protein U.S. AFL \$260-\$255 depending on boat position. Jan. \$254. Feb. \$246.25. April/ Sept. \$247.50. Brazil Pellets Jan. \$274, Feb. \$271, Mar. \$259. April/May \$250, April/Sept. \$254. \$202.

Malze—U.S. No Three Corn Yellow AFL \$131, Jan. :130, Feb. \$129, Mer. \$132, April/June \$137.50, July/Sept. \$141.50, Oct./Dec. \$145.50, July/Sept. \$141.50, Oct./Dec. \$145.50, Soyabeans—U.S. Two Yellow Gulfports Feb. \$271, Mer. \$274.50, April \$289.50, Mey \$282, June \$288, July \$290, Aug. 294, Sept. \$295, Oct. \$296.50, Nov. 296, Dec. \$302.50, Jan. \$306. Seles at call.
Sugar (FFr per 100 kifos). Mer.
1822/25. May 1839/45, July 1835/55.
Aug. 1845/50, Oct. 1888/70, Nov. 1855/
75. Dec. 1865/90, Mar. 1870/1900. Sales

INDICES DOW JONES Dow Jan. Jan. Month Year Jones 18 16 ago ago FINANCIAL TIMES Jan 18 Jan. 17 M'nth ago Year ago Spot ...426.66481,34 422,44275,51 F'tur's 485.79,429.94 427,40372,40 (Average 1924-25-26=100) 801.77 297.80 299.60 261.59 (Base: July 1, 1952-100) Jan. 18 Jan. 16 M'nth ago Year ago

Satsumas—Spania: 95/189s 3.20-3.80.
Clementines—Moroccon: 3/6s 4.005.00: Cyprus: 125/162 3.40-4.00.
Lemous—Italian: 100/150s 5.60-6.00:
Cyprus: 11-kg 84/120s 3.60-5.00:
Cyprus: 3.80-3.40: 20-kg
3.60-4.50; Jeffa: Large boxes 32/88s
3.80-4.80: Florida: Pink flesh 35/48s
4.80-5.90 Soure/Rithers—Spanish 4.50-

1518.2 1494.2 1255.1 996.7

0.40; S. Arrican: Queen of the yard 7.00. Dan B. Hennah Pluma—S. African: Santa Rosi pound 0.32-0.45. Apricots—S. Avoc Israeli: 4.30-4.60. Meions—S. to 114.0. Lamb: English small 64.0 to 52.0, medium 50.0 to 58.0, heavy 40.0 to 52.0. Imported frozen: ABO. Apples—French: Golden Delicious: NZ Pl. new season 50.0 to 51.0, PM new season 49.0 to 49.5. Penk: 2.30-2.90; Grenny Smith 20-1b 20-1b 38.0 to 50.0, 120-160 1b 38.0 to 50.0, 120-160 1b 38.0 to 50.0, 120-160 1b 37.0 to 49.0, 120-160 1b 38.0 to 50.0, 120-160 1b 38.0 to 50.0 to 50.0, 120-160 1b 38.0 to 50.0 t flowers-French; 24s 8.00; Jarsey: 7.50.

1764,8 1739.9 closed 1502,2

FINANCIAL TIMES STOCK INDICES

Options
\*First Declara- Last Account Dealings tions Dealings Day Jan. 14 Jan. 24 Jan. 25 Feb. 4 Jan. 28 Feb. 7 Feb. 8 Feb. 18 Feb. 11 Feb. 21 Feb. 22 Mar. 3

" New time " dealings may take place from 9.30 am two business days Undeterred by this week's offering of £1.8bn new tap stocks, the market in Government securities attracted further sizeable investment funds yesterday. The activity and continued strong tone in this sector resulted in further support for equities among which leading shares rallied well after making an easier start to the final leg of the

current trading Account Foreign investment for Gilts was again considerable but no more so than from domestic sources. The weight of demand and continued absence of any worthwhile selling led to more acute stock shortages which helped to push gains to two points and more among longerstocks before a slight softening towards the end. Closing quotations left the terms of the proposed long tap stock

looking a lucrative proposition. When the issue was announced last Friday, thoughts immediately arose about the possibility of the fibn of Treasury 121 per cent "A" 2003-05, payonly £25 at tender, enticing a good subscription; yesterday, !: was looking as if the stock could easily be oversubscribed. possibility of the short tap, Exchequer 131 per cent 1. £60 payable at tender, meeting with a similar fate was more doubtful, but this end of the market settled around 1 higher, after being 🖟 up at best.

Profit-taking in the wake of last week's strong advance pro-duced initial falls in lead shares, but revived small instir tional inquiries at the cheaper levels soon halted the declina. Following the later strength in British Funds, a bear squeez? developed in leading industria's which by mid-day were mostly showing rises on balance.

The absence of follow-through support, however, saw these gains gradually erased during a quiet afternoon session and extension of the trend in the after-hours' trade left net overall losses. The FT 30-share indemirrored the erratic trent', registering a fall of 3.0 10.00 am and a net gain of at 2.00 pm before a close of 2 down on the day at 477.7 minor movement in -2'2 12

last week's advance of 21 Another lively bus ness in Traded Option market saw 17 deals done compared w day's 2.004 which war total since latt Jer proceedings, recording 744, while 202 were completed in recent favourite Consolidated

### Alexanders rally

After a hesitant start, the major clearing banks encountered renewed support ahead of the dividend season which starts next ranging to 6. Midland and Nat-West ended that much better at the common level of 366p; the latter's preliminary results are due on February 26. Among Discounts, news of Alexanders' maintained dividend outweighed the arrest defeat of the state of the annual deficit and left the shares a net 7 better at 2129, after 1980

Lloyd's brokers were inclined harder in places. Bowring closed a penny dearer at 141p, after 1450, following the terms offered by Marsh and McLennan. E. Heath added 3 to 223n with the help of Press comment. Composites made headway with GRE notable for a rise of 9 to 254n.

Leading Building descriptions attracted a reasonable demand. Redland firmed 11 to 171p on renewed investment buying while BPB added 4 to 183p and Ready Mixed Concrete improved 3 to 148p. Contract news failer to benefit Tarmac, unchanged at for support, the ordinary and restricted voting adding apiece to 70p and 69p respectively. Burnett and Hallamshir rose 15 to 555p and Vibroplan 10 to 2500 in thin markets, whi! buying ahead of Thursday's halfyearly results lifted Burt Boulton 5 to 190p. Dealings in Armitage Shanks were suspended at 5547 pending details of an approact rom a UK company which ma-'o an offer.

Fisons touched 295p befordailting off to close only a coun' of pence higher on balance a ICI traded narrowly asettled a net penny cheaper at

### Bakers Household up

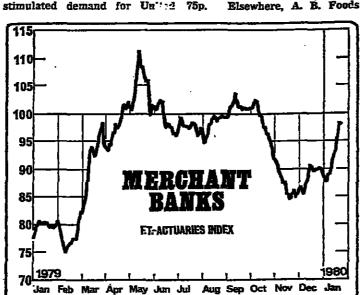
The store majors plotted an irregular course in modern Firm last week on speculation concerning Longho's company. House of Fraser improved to 147p before closing a net 2 up on balance at 1435. Don't hams hardened 2 to S collusting Press commont and 274n. Burton "A" dipped a

Contine "A" content of a con-Baltons Honorine יריב במלייום בס ב־107 כי לי יריב . - مالار المارد مراه المحمد الماري . and ares Neuranents retred fit-. יייניטיום יימצעליי פקון רקי בט רביי in annual statement, Comm.

Executex put on 5 to 32p and Grattan Warehouses added 4 to 110p. MFT Furniture held 83p in front of today's interim results but the recently friend-less Kitchen Queen came on offer again following adverse comment and finished 3 off at 260, after In Shoes, renewed speculative support lifted Style 5 to 16Sp.

Still reflecting the bid approach from Racal Decca improved 10 more to 350p, with the "A" shares 5 up at 310p. Elsewhere in secondary Electricals, favourable week-end Press mention

in Spirax-Sarco, 177p, and Wadkin, 105p. Buying interest revived in Babcock, up 4 at 116p, and Chemring, a similar amount dearer at 109p. Among smaller-priced issues, Neepsend were supported and closed 24 higher through the same along 24 higher supported and closed 24 higher at 38 p. but Meggitt Holding finished without alteration at 27 fo"owing the oreliminary rasults Supermarket issues attracted fresh support in the Food sector. J. Sainsbury firmed 3 to 315p and Associated Dairies 4 to 192p, while Tesco hardened a penny to



but, after last week's is renewed nervous of its g Thursday's or oulds left Muisticad Siles 235. Occasional damani iii Barotherm 5 more to 2007 Beree improved 3 to Con a "IK Electric 4 to 1077. On other hand Downerst on Partner eased 13 to 150 on 15 fall in annual profit. Dealirwere temporarily suspended. The Electronics at 375; if was announced vesterday that discursions are at an advanced stars for the transfer of ownership of

GEC closed 2 lower at 37 p, after touching 362n. Jan - 10.

of Companies of which Crav is a member. Among the leader-

added a perny to 92p, while renewed speculative buying lifted Carr's Milling 3 to 93n. Barker and Dohson also added 3, to 27p,

in belated response to Jayourable

### Gieves jump

Press comment.

A penny or two easier at the outset, miscellaneous industrial leaders perked up in sympathy with a fresh show of strength by gilts and closed with improvements ranging to 5. Glaxo firmed that much to 478p, while Rank Organisation gained 4 to 193p; the latter's preliminary results due on Thursday. Turner and Newall, however, encountered profit-taking and eased 4 to 136p after last week's good rise which followed news that the net asset the day slightly region American values of its Rhodesian substantially over the 14 years of sanctions.

The same defined of the condense over the 14 years of sanctions.

Elsewhere, Gleves provided a late century of the condense over the 14 years of sanctions. 103p, on the announcement that The company is selling is James Sagtand manage supsidiary for

ings, 227p, rose 8 and 5 respectively. Gains of 5 were also seen owners European Ferries which owners European Ferries which closed 61 up at 1071p, while Sothebys rose 15 to 425p, after 430o, in response to the chairman's encouraging annual review. The continuing boom in precious metal prices helped Johnson Matthey advance 13 more to 283p, while Pentos firmed 3 to 68p on Press comment. Applied Com puters added 8 to 255p while Sele Timer, 182p, and Watshams, 310p, improved 7 apiece. Portals put on 6 to 238p as did Ricardo, at 333p. Revived hopes of an American bid lifted Wilkinson

Mrtch 4 to 160p. Up 10 on Friday on hopes of a bid from major shareholders out on a further 16 to 175p, after 178p, on speculative demand fol-lowing the death of Mr. E. H. Thomas, the latter company's managing director. Elsewhere in the Leisure sector, Hoxizon Travel added 13 to 233p in response to favourable Press comment, but Saga shed 10 to 196p following adverse mention.

Speculative demand in a thin market lifted Appleyard 9 to 71p in Motor Distributors. Healys added 4 to 94p in anticipation of

Newspapers took recent gains a stage further. Associated added to 295p, while rises of 3 were marked against Daily Mail A. 5330, and News International, 613p. In Paper/Printings, speculative demand was again forthcoming for More O'Ferrall which out on 4 to 117p, while Eucalyptus rose 7 to 93p and Ferry Pickering firmed 5 to 70p.

Easier initially on lack of fresh support, Properties picked up to rlose without much change on balance. Slough Estates responded to the property revaluation with a gain of 4 to 116p, but profit-taking left Stock Conversion 6 cheaper at 372p and Fairview Estates 5 off at 2000. Cora Exchange, a particularly good market of late on the increased dividend and proposed seven-forone scrip issue, shed 6 to 297p. but London and Provincial Shop improved that much to 258p.

Warner Estates, annual results on

Thursday, added 3 to 195p. Premier active

Interest in Oils centred chiefly on secondary issues in which week-end Press mention stimulated an extremely brisk trade for Premier which closed 5 higher at 59p. Aran Energy were good at 346p, up 24, while Gas and Oil Acreage rose 15 to 325p and CCP North Sea 10 to 260p. Siebens (UK) turned volatile, reacting to 536p in the early dealings before recovering to 576p and settling without alteration All of the secondary forms and that the proceeds and settling without alteration and All of the settling without alteration will be paid to shareholders. at 566p. Weeks Petroleum to 1000 in a limited market with News that Felixstowe Dock is to advanced 40 to 410p following

possible bid from National Carbonising which reacted 8 to 129p. IC Gas rose 15 to 700p and Hunting Petroleum 6 to 120p. South African industrials displayed no set trend after a moderate business. Gold Field Properties gained 10 to 120p but S. A. Breweries gave up 7 to 138p.

### Australian gains

Australian issues displaced South African Golds as the pacesetters in mining markets.

Booming base-metal prices, teady performance by gold and silver and favourable weekend renewed beavy buying across the

Among leading issues, MIM Holdings were outstanding with a rise of 19 to 304p, while Bougainville put on 10 to 173p, Western Mining 6 to 237p and Peko-Wallsend 5 to 430p.

The more speculative stocks were also well supported. Mount Lyell advanced 12 more to 112p, Whim Creek and Samantia 10 apiece to 90p and 63p respec-tively, Metals Exploration 8 to 67p and Swan Resources 7 to 62p. Australian Consolidated Minerals hardened 2 to 18p.

South African Golds sustained minor setback as the bullion price gave ground to close \$10 easier at \$825, after having touched \$850 at the morning fix-

Trading in shares was much onieter than of late with profittaking outweighing renewed buying Prices were marked down at the outset and drifted throughout the day despite one or two

attempts at a rally. The after-hours' trading saw some fresh selling on U.S.

69.50 68.52 58.05 57.85 67.8r - 66.53 68.60 68.85 68.49 68.00 69.30 68.99 69.61 Fixed Interest ... 459.8 450.8 458.5 441.7 445.8 478.1 457.7 360:4 539.0 266.1 357.0 310.6 158.5 359 K 7.15 7.14 7.36 7.90 7.41 7.35 8.15 17.77 17.78 18.00 17.85 18.59 18.50 18.16 6.91 6.93 6.88 8.90 6.70 6.72 8.01 Ord. Div. Yield... Earnings, Yld. % (full) 17.77 P/E Ratio (nat) (\*) 26,711 89,778 26,315 27,000 25,427 26,105 Total bargains .... Equity turnover &m - 181,67 189,97 18706 113.87 127,61 65.78 - 20,096 19,660 20,112 17,281 19,139 11,299 Equity bargains total

10 am 456.8. 11 am 457.8. Noon 461.6. 1 nm 462.4. 2 pm 462.5. 3 pm 461.3.

Lettet Index 01-246 8026. "Nii=6.67.

Backs 100 Govt. Secs. 15/10/26. Fixed int. 1928. Industrial Ord. 1/7/35. Gold Mines-12/9/55. SE Activity July-Dec. 1842.

H	IGHS	AND.	LOWS	7. j. j.	S.E. AC	HVIT	<b>Y</b>
	19	1979/80 Since Complist n				Jan.	Jan.
	High	Low	High	Low			
Govt, Secs.	75,91 (4/6) 77,76 (6/5)	(10/72) 64.06	127,4 (3/1/56) 150,4 (28/11/47)	49.18 (3/1/%) 50.5% (8/1/%)	Git Edged Industrials Speculative Totals	150.5 149.0 154.8 110.8	
ind. Ord Gold Mines	558.5 (46) 360.4 (18/1/86)	129.9	558.6 (4/6/78) (443.5 (22/6/78)	49.4 (26(6/40) 43.5 (28(6/40)	5 d'y A'vi' ge Gilt Edged Industrials Speculative, Totals	160,6 146,8 158,0	163.0 157.0 122.7 103.5

account with the result that the Gold Mines index came back 7.9 to 352.5.

Heavyweights registered falls to £11, as in Randfontein, £31, while medium and lower-priced stocks showed South African Land 26 off at 360p.

Gold orientated Financials fell in line with Golds but the London issues provided a feature in Rio Tinto-Zinc, following the rise in Copper prices the shares rose 10 to a 1979-80 high of 410p on persistent and heavy buying in a market short of stock. The surge in Copper also prompted strong buying of Messina, which gained

Vol

146p

477p

361p

7~ 144p

879p

331p

,, 410p

15 to 190p.

April

23 1

20 85

10

10

15

<del>-</del>

18

49 36

40

108 ----

103

LONDON TRADED OPTIONS

Vol

**NEW HIGHS AND LOWS FOR 1979/80** 

NEW HIGHS (74) CHEMICALS (1) STORES (1)

Thorpe (F. W.) United S F0025 (3) Assoc, British Foods (1) INDUSTRIALS (TD

NEW LOWS (15)

RISES AND FALLS YESTERDAY

PAPER (1)

TEXTLES (T)

Final Oils

.850

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	М	on., J	lan. 2	1, 198	30	Fri., Jan. 18	Thurs., Jan. 17	Wed., Jan. 16	Tues. Jan. 15	Year ago (approx.)
Figu	& SUB-SECTIONS  res in parentheses show number of stocks per section	Index No.	Day's Chaoge %	Est Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Railo (Net)	Index No.	Index No.	Index No.	index No.	Index Na,
1	CAPITAL GOODS (172)	232.48	+0.4	18.71	6.69	6.76	231.45	226.67	227.69	223,47	232.51
2	Building Materials (27)	224.22	+1.4	17.54	6.86	7.31	221.16	234.83	213.36	206.79	207,41
3	Contracting, Construction (29)	350.58	+0.5	26.34	6.91	4.69	348.70	340.86	340.80	336.49	354.74
4	Electricals (15)	586.26	-0.2	13.81	4,24	9.65	587.55	578.21	586.37	576.53	540.35
5	Engineering Contractors (11)	296.78		26.13	8.62	4.89	296.72	291.71	290.51	291.36	368.94
6	Mechanical Engineering (74)	162.32	+0.4	21.13	7.99	5.86	161.71	158.92	159.61	157.17	189.69
8	Metals and Metal Forming(16) CONSUMER GOODS	162.47	+0.8	20.49	9.35	5.88	161.10	157.69	157.36	154.04	161.47
11	(DURABLE)(50)	209.78	+0.3	17.01	5,82	7.26	209.07	206.35	207.29	203.14	208.33
12	Lt. Electronics, Radio, TV (15)	286.25	+0.3	13.39	4.49	9.59	255.33	287,61	283.80	277.82	264.01
13	Household Goods (14)	114.23	-0.4	26.50	9.49	4.57	114.64	113.63	214.53	113.37	166.29
14	Motors and Distributors (21) CONSUMER GOODS	113.35	+0.5	23.71	8.22	4.98	132.74	111.18	110.73	108.56	119.91
21	(NON-DURABLE) (173)	226.99	+0.1	17.77	6.67	6.93	226.65	221.79	223,19	217.87	208.88
22	Breweries (14)	273.68	+0.2	16.19_	6.39	7.22	273.08	266.35	265.43	260.88	228,42
23	Wines and Spirits (5)	322.79	+0.2	16.81	5.74	7.34	322.01	317.60	317.61	313,65	294.79
24	Entertainment, Catering (17)	307.55	-0.9	18.15	6.81	6.93	318.41	302.94	308.04	295,17	272.30
25	Food Manufacturing (19)	205.38	+01	19.73	7.09	6.26	205.21	201,98	203.44	199.70	198.47
26	Food Retailing (15)	325.52	+1.2	12.65	4.36	9.45	323.59	316.76	318.59	313.23	228.33
32	Newspapers, Publishing (13)	432.54	+1.1	23.05	6.94	5.97	427.83	422.39	424.29	415.35	386.91
33	Packaging and Paper (15)	126.72	+0.7	23.50	8.96	5.47	125.89	123.56	124.73	120.80	134.67
34	Stores(43)	222.12	+0.1	13.86	5.13	9.32	221.87	215.04	<u>2161</u> 4	210.04	193.48
35	Textiles(23) Tobaccos (3)	132.33	-0.2	27.49	12.24	4.62	132.61	132.38	133.44	131.02	178.32
36	Tobaccos (3)	221.33	-0.2	25.75	10.07	4.38	221.71	218.46	220.73	215.20	237.63
37	Toys and Games (6)	43.85	+0.5	37.33	16.33	3.38	43.62	43.48	44.82	45.60	91.33
41	OTHER GROUPS (97)	203.03	+0.4	15.49	6.64	7.85	202.29	198.98	200.24	195.95	196.84
42	Chemicals (17)	299.39 210.69	-0.1	16.37	6.71	7.05	299.75	296.59	298.37	290.19	276.37
43			+0.4	12.09	6.06	10.09	209.91	207.34	210.68	205.13	240.61
44 45	Office Equipment (6)	110.66 439.36	+1.4	17.71 12.05	7.72 7.35	6.98 10.59	109.15 432.44	105.87 420.56	107.84	105.29	139.75
46	Miscellaneous (57)	241.25	+0.4	16.50	653	7.68	246.19	235.48	424.77 235.34	418.70 232.02	429.30 213.36
49	INDUSTRIAL GROUP (492)	228.44	+0.3	17.41	6.61	7.11	227.78	223.35	224.64		218.55
		710.74	-0.5	15.81	6.71	6.84	714.28	715.28		219,77	
55 59	Oils (8)	266.76	+01	17.09	6.63	7.95	256.41	713.28 242.35	718.40	690.58	503.83
	FINANCIAL GROUP (117)	195.28	+0.3	17.09	5.66	7.55	200.41 193.55		263.79	25715	242.28
<u>ह्य</u>	Banks(6)	229.61	+14	36.22	5.66	3.52	226.46	189.86 223.68	191.25 223.51	186.85 218.83	169.73
62	Discount Houses (10)	240.14	+0.2	30.22	8.26	332	239.59	241.11	237.06	233.59	204.83 212.89
64	Hire Purchase (5)	184.58	+1.1	19.19	5.15	6.60	182.52	183.14	186.27	173.04	164.95
65	Insurance (Life) (10)	162.32	+15		6.48	-	159.91	156.67	157.54	154.41	133.33
66	Insurance (Composite) (9)	130.56	+1.5	_	7,44		128.66	126.68	129.15	125.07	119.77
67	Insurance Brokers (20)	299.96	+0.1	16.62	6.54	8.60	299.52	287.39	288.27	285.34	297,49
68	Morrhant Banks (74)	98.05	-0.2		6.07		98.26	95.67	95.24	93.54	79.41
69	Property (44)	347.07	_	3.80	3.09	37.72	346.93	336,70	339.44	333.23	274.32
70	Miscellaneous (9)	129.82	+0.8	16.00	7.03	8.20	128.82	128.88	138.93	127.11	112.55
71	Miscellaneous (9)	212.96	+12		5.77		210.35	207.65	207.60	204.47	211.07
81.	Mining Finance (4)	199.51	+2.0	11.55	4.43	10.51	195.62	186.67	185.87	182.56	113.02
OT I				19 ee	4 75 1	9.49	AA I	area l			
91	Overseas Traders (20)	383.11	+TP	12.85	6.75 6.35		377.02	369.95 244.72	365,30	352.38	319.48

	. FIXED INT	FIXED INTEREST YIELDS British Govt. Av. Gross Red.			Mon., Jan. 21	Fri., Jan. 18	(approx.) ygo Year				
	British Government	Mon., Jan. 21	Day's change %	nd adj. today	ad adj. 1980 to date	1 2 3	Low Compons	5 years	11.79 11.79 11.79	11.89 11.89 11.89	10.05 11.84 12.64
1 2	Under 5 years	101.79 108.30	+0.27 +1.44	-0.37	0.45 1.55	4 5 6	Medium Coupons	5 years		14.08 13.55 13.45	13.23 13.23 13.23
3 4	Over 15 years	115.49 135.28	+1.70 +0.81	<del>-</del>	0.24	7 8 9	High Coupons	5 years	13.76	14.56 14.03 13.73	13.30 13.78 13.77
5	All stocies	108.33	+1.12	0.09	0.63	10	Irredeequables		19.88	10.97	12.31

Friday Thurs.

Jan. 14

20-yr. Red. Deb & Loans (15) 60.87 ;1-.54 50.63 50.31 49.98 49.83 49.73 49.53 49.26 64.48 Investment Trust Prefs. (15) 47.83 14.10 47.78 46.98 47.00 47.00 46.90 46.96 46.49 60.78 Coml. and Indl. Prefs. (20) 61.86 14.48 61.81 61.68 62.14 61.89 61.64 61.67 61.32

f Redemption yield. Highs and lows record base dates and values and constituent changes are published urday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken Housing Street, London, EC4P 48Y, price 14p, by post ZZp.

Yeald

### ACTIVE STOCKS

No.

De	nomina-	of	Closing	Change	1979-80	1979-80
Stock		ıarks	price (p)	on day	high	low
European Ferries	25p	11	1071	+ 61	183	92
RTZ	25p	11	410	+18	410	226
Tricentrol	25p	10	274	+ 4	284	148
Premier Cops	5p	9	59	+ 5	59	13
Western Mining	\$A0.50		237	+6	237	121
Beecham	25p	8	124	_	189	114
Lonrho	25p	8	109		109	62
Western Areas	R1	8	427	+ 3	427	10 <del>9</del>
Barclays Bank	£1	7	436	+ 6	514	360
Cons. Gold Fields	25p	7	476	- 2	482	178
GEC .,	25p	7	355	<b>– 2</b>	456	311
GUS A	25p	7	402	- 2	448	288
ici	£1	7	378	- 1	415	314
Imp. Cont. Gas		7	700	+15	700	358
P. & O. Defd	£1	7	117		119	71

### **OPTIONS**

DEALING DATES Deal- Declara-Settleings tion ment 'n-.2! Feb. 1 Apr.24 May ( 7:h. 4 Feb. 15 May 8 May 19 7ab. 13 Feb. 19 May 20 June 9 For rate indications see end of Share Information Service oney was given for the call First National Finance, Reo Cirkis, Shell Transport, British Primierum, CompAir, Fraser Ansbacher, Marshall Cavendish,

Dunderdan, Town and City,

High Low

B Electronic, Woodhouse and Greenecat Properties. Turnsh Oil, Currterhall, Wm. ess, John Brown, ICt. Tubes, Tritarnia Arrow, RCA Interna Court and Charter Consoli-International, Elshurg, North Kalgoorlie, Gold Mines of Trigoorlie and British Petro-leum, while double options were transacted in RTZ, Western Mining, Decca "A," Lourho and Lincroft Kilgour, Newarthill, Dundonian.

' 550ciated Fisheries, Siebens

House of Freser, Lonrho.

### recent issues **EQUITIES**

: ies	Falout Falout Falout Fanning	<u> </u>	. en	- Stock	Cilosing Price	: e:	America.	China:	#	
3 22 3	7P - 170 200 5,7 11/1 5,4, 50 5,7,26/1	121	101 101	::Sip-hill Chem. 10p. 13-5: Provi  Conder in th. Emess Lighting   Maynes -: blanks 20r	146 111 101		63.C	: · ·	5.5	٠.
	7.7. — 7. 11.1 9.P. —	#10i. 73	115	Est Mig Test for edien Coning Grove 101 Vereidingel - v DFL 2	illi. Sa	:				ņ
	·		: 	i Interdepos				-		-

### FIXED INTEREST STOCKS ≗· 1979/80

•	£10 F.P. F.P. F.P.	28/2   1 31/1   9 02/1   9	61, 101 9 921 8 90 6p 85; 11 <sub>3</sub> 911	g B'rnem't g Bristol W Dundoni: Hewitt (J g Mid-Suss	ay 1042 Ca h & District aterworks an 1142 Ca a) 10pc Cun ex Water 73 cc.72Con.R	Witer Red 8% Ped. Pri sm. Conv. I n Pref 5 Sed. Pref	Pref. 1935, ef. 1984 Pref	103: 93: 98 865 911:	- 14 
			" <b>R</b> le	GHTS'	" OFF	ERS			
ie i Ce	Paid Up	Latert Renund Date C.		79/80 Low		Stock	واموات	pylcus p;	+:
	B1-1			- 0/			. ——-		

## 2pm | Secureted Pritish Engineers | 11th | 12 63 | 155 | 4 hobbins | 63 m 640 | manuferson Project | 4 trues | 63 m 1641 | 15 m | 164 m | 164

handing atton date usually last Juy for dealing free of stamp during on prospectus estimate a Assumed dividend and yield the dend; cover based on previous year a samings. Filtridens and an prospectus or other official estimates for 1979. O Gross. I Figure 1 Cover allows for conversion of shares not now ranking for dividend only for restricted dividends. § Placing price to public of Pence unless indicated. I I issued by tender. I Offered to holders of ordinary stringits. I issued by two processing the properties of the properties

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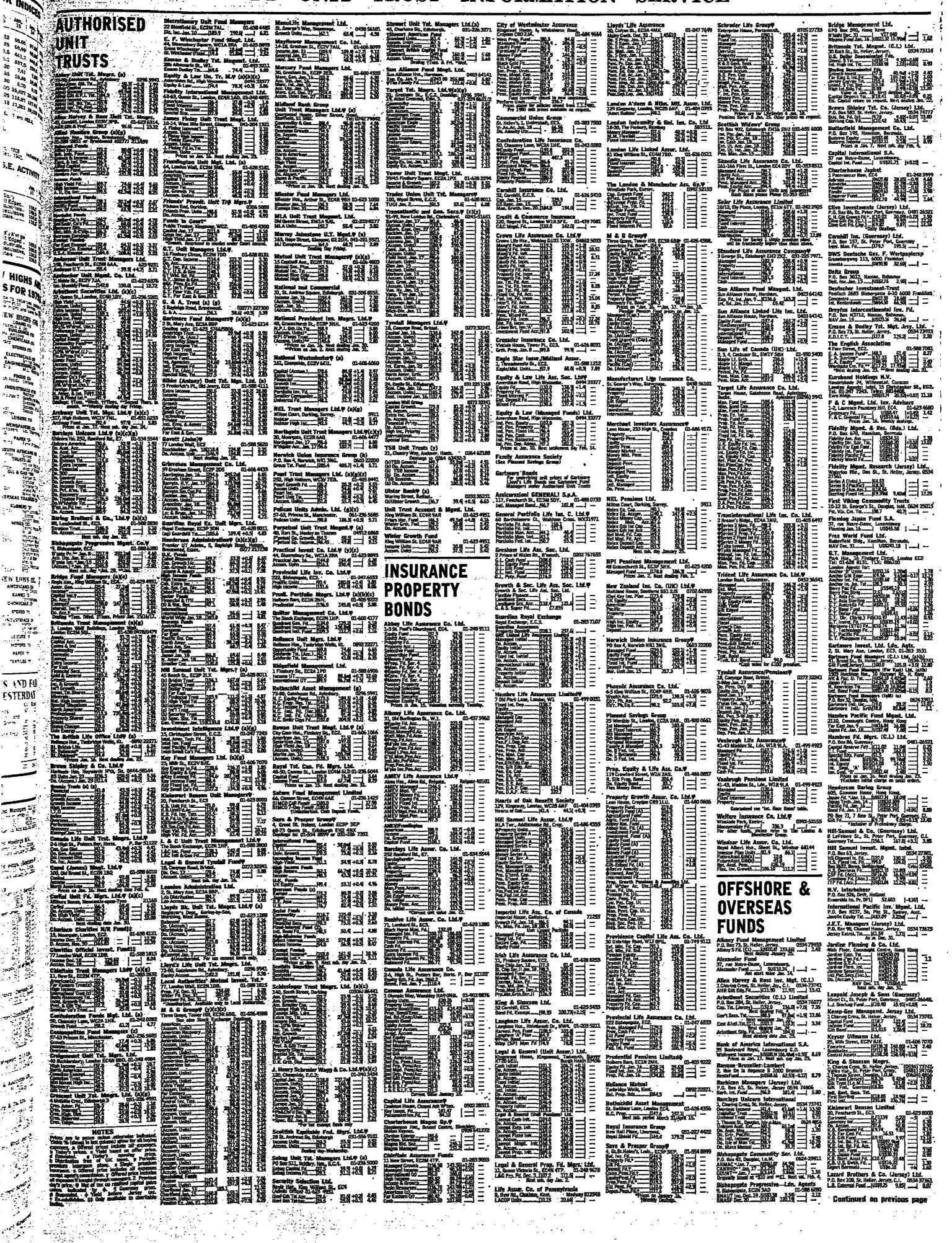
nd Bank Tst, Corp. (Jersey) Ltd. Hill St., St. Heller, Jersey. 0534 3628



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+ of 5r. | Thi | LOANS 3812 +14 13.19 14.58 9612 +14 14.50 15.17 9642 +14 14.50 15.17 74.2 +12 8.55 14.30 841.56 41.30 13.90 13.90 861.56 41 13.58 14.30 15.91 12.37 14.40 5912 +12 13.58 14.30 66 41 13.51 14.40 641.56 41.59 14.66 641.56 13.55 14.40 93 412 13.75 14.40 93 412 13.75 14.40 1034 % 1084 94 864 774 85 85 69 99 777 1012 80 772 542 770 64 782 61 102 85 FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
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September September 18

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## FINANCIALTIMES

Tuesday January 22 1980



## Inflation and falling demand hit industry

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE FIN	ANCTAT.	nosition	al
industry	deterior	ated sign	ř
ficantly in	1979 and	may worse	ń
this year.			
the result			
on real			
acceleration	ig infli	ation ar	ıd
sluggish d			

Central Statistical Office figures published yesterday show that the financial deficit of industrial and commercial companies in the first nine months of 1979 was £3.67bn, seasonally adjusted compared with £2.18bn in the whole of the previous year.

The financial deficit measures the amount that industry has to raise from other parts of the economy, mainly through bank borrowing, after financing tax and dividend payments and spending on capital investment

The sharp rise in the deficit was principally the result of a big increase in the amount to finance stock appreciation—the rise in the value of stocks caused by inflation. This was £5.14bn in the first nine months of 1979 compared with £3.09bn in the whole

At the same time interest payments have risen as a result of higher interest rates, while dividends have also increased sharply following the end of controls last summer. The physical increase in stocks was also large—at £1.69bn after nine months compared with £1.19bn

Membership of the country's

Private Patients Plan member-

ship went up to over the 1m, rising 21.2 per cent to 267,000.

Western Provident Association

membership rose by more than

Much of the growth was due

to more employers providing

one-third to 60,000.

PPP

WPA

Association, rose by 17.2 per schemes.

1	FINANCIAL	. PC	SITION	OF.
let	acquisition	of	financial	asset

commercial 1977 1978	companies £m seasonally adjusted 2,501 2,183
ist	612
2nd	440
3rd	188
4th	943

1.273

The published figures for industry's financial deficit disguise the full extent of the underlying deterioration. This is because the North Sea oil sector is included and its finances are now improving rapidly as a result of a build-up of output and profits.

Source: Central Statistical Office

industry is likely to intensify this year as a result of a high rate of inflation, the recession and a poor competitive position. The extent of the deterioration will depend on how quickly companies are able to reduce excessive stocks and cut investment

oil, many analysts believe that months of last year.

record year for health

insurance companies all reported dency was occasionally en-

record new business last year. couraged by trade unions in

Individual membership

increase,

132,429

14,562

BUPA passes 1m mark in

THE THREE major medical benefit to staff, and this ten- the help of the unions. WPA insurance companies all reported dency. was occasionally en. had a 50 per cent rise to 45.000.

spite of the official TUC ban

largest, British United Provident on joining private medicine reversing the trend of the pre-

40,000 members under an agree-

ment with the Electrical Con-

tractors' Association. The group

membership of PPP advanced

39 per cent to 135,000, including

a scheme negotiated with Mitchell and Butler, the

134.865

medical insurance as a fringe Birmingham-based brewers, with cent to 14,500.

Armitage may receive bid

%

1.9

the financial position of manufacturing industry could be as bad in real terms as in the liquidity squeeze of the mid-1970s. Company balance-sheets are healthier than five years ago high interest rates may cause cash flow problems for some

On the quarterly basis the financial deficit was £1.27bn in the July-to-September period compared with £830m in the previous three months, and £1.57bn during the strike-affected first quarter of last year An alternative way of measuring the financial health of industry is the net borrowing requirement. This is the financial deficit modified to reflect actual cash flows in respect of unremitted profits and trade credit and after investment abroad and acquisition of company securities. This stood at £1.07bn in the July-to-September period compared with £1.35bn in the previous

three months. This may, however, be an artificially low figure because of a sharp rise in trade credit associated with the large amount of Value Added Tax collected but not actually paid to Customs and Excise, and Post Office telephone expenses in-

curred but not billed. These items, together amounting to £1.4bn, are likely ans. to have been at least partially
After excluding North Sea reversed in the final three

More individuals also took

out private medical insurance,

vious decade, in which the

contracts to attract a general public disillusioned with the

The membership of BUPA

rose two per cent to 340,000,

that of PPP by seven per cent to 132,000. WPA grew 8.6 per

267,294

60.012

Total membership

17.2

National Health Service.

## Chrysler rescue with U.S. banks

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, which a month ago won backing from the U.S. Congress for a \$3.5bn rescue, has met a serious obstacle with its bankers over their part in the operation.

The prime reason for the banks' resistance to the terms of the rescue is that a syndicate of Japanese banks is once more refusing to put up \$240m to finance the flow of imported Mitsubishi cars through Chrysler's dealers in the U.S.

It was the withdrawal, temporary as it turned out, of a \$400m credit line for the Mitsublshi imports that alerted Chrysler to its problems with

its banks last autumn. But the more serious point for Chrysler, the third biggest motor company in the U.S., is that after one month of intensive talks with banks it has failed to make worthwhile pro-

So far negotiations have been stuck on requests by the company, backed by the U.S. Government, for relief from interest payments on existing loans of about \$2bn. Banks have resisted this as being in effect a gift worth up to \$200m for

that the banks should put in an additional \$650m in new loans has not even been seriously broached. Nor has the fact that Chrysler needs \$550m in short-term funds to carry it through the next three months

"Politicians in Washington think that Chrysler has been saved. They're going to get a big shock when they realise it hasn't," said one banker yester-

Although Chrysler would not omment on the difficulties with its bankers, there are indications that it is not sorry that the Japanese problem is being given an airing in Washington at a time when the powerful United Autoworkers' Union is pressing Congress to draft legislation to force the Japanese to build cars in the U.S. or face tight restrictions on imports.

In dealing with the banks, the Government is stressing that the terms of the Chrysler aid legislation offer great flexibility in the packaging of the Banks' contribution to saving the company, but so far the banks appear to be sticking to their demand for an exact description of the status of their loans The more difficult subject of and their security before makthe Administration's request ing any offers of assistance.

## New BP plan may boost oil flow rates

BY RAY DAFTER, ENERGY EDITOR

revolutionary offshore oil production system, which may field to continue loading. be used in the development of BP officials say it is posa big discovery to the west of

The system is based on an oil own production facilities. It is being developed so that BP can exploit poikets of oil too small for economic production using conventional equipment. In aition the company hopes to use the system, called SWOPS-Single Well Oil Production System—to carry out

extended tests in larger, complex reservoirs. With this in mind BP may use the system to test flow rates in its heavy oil reservoir in block 206/8. 40 miles west of the Shetlands. Along with other concession holders in the

rear, BP and its partners (Chevron and Imperial Chemical Industries) have idenditified 3.5bn to 4bn barrels of oil in place—about as much as lies in the Forties

Unlike the oil in Forties, the thick and sticky crude in the West Shetland find does not flow well and it is thought that only 220m barrels could be recovered using conventional

BP hopes to improve this rate by cracking parts of the reservoir with a special liquid injected under pressure. "Prop-ping agents." like tiny ball bearings, will be injected with the liquid to keep open the cracks. In this way BP hopes the oil will flow more freely. The first fracture experiment is expected to take place this

If the experiment is successful. BP may decide to use SWOPS to conduct a prolonged tanker would be connected to an ocean bed well structure. Oil would then be pumped into the vessel's storage tanks.
When full the tanker would expectations in the second half. be disconnected from the well

BRITISH PETROLEUM is and the vessel would take its about to announce details of a cargo to a shore terminal. The ship would then return to the

BP officials say it is possible to instal the well system and convert a tanker for between £25m and £50m. Such a vessel tanker which also carries its could handle a production rate of up to 20,000 barrels a day. The company hopes a prototype could be ready for operation by next year. It emphasises major

> The system could be used to exploit reservoirs containing only a few million barrels of recoverable reserves far too small to be exploited commercially with conventional equip-

SWOPS:

When used for testing purposes, the converted tanker could release a drilling rig for more normal exploration activities. Furthermore, oil produced during the test would be available for commercial use. Feature, Page 14

### Weather

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N. Ireland

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### THE LEX COLUMN

## runs into trouble | The money squeeze tightens

Despite agonised squeals from the money market, where huge shortages have developed and one-month money is fetching around 181 per cent, the giltedged bandwagou continued to roll yesterday. The world's casual investment money is still heading for sterling, which on the trade-weighted index shows a gain of 3 per cent on the month so far. Rises among the longs often reached 11 points or so, although for a change equities could not stay the pace.

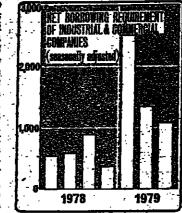
The further big subscriptions for gilts likely this week will perpetuate the money market shortage. There are no more special deposits for the authorities to give back, though they can postpone the repayments, and if necessary enter into temporary gilt-edged purchase agremenets with the banks.

This shortage gives no comfort to hard pressed companies now facing a serious squeeze. It is true that the latest official statistics show some decline in the net borrowing requirement of industrial and commercial companies for July-September 1979. But this takes in a sharply improving trend for North Sea oil producers, and anyway borrowing was much higher in October and November.

Retrenchment is the theme of the latest accounts from BOC International. The group is reappraising large parts of its UK activities with a view to disposals, and is paying special attention to some of the product and service diversification undertaken a decade or so ago If remains committeed to its core " businesses, which consist of gases and associated welding equipment, medical equipment and carbon graphite, and it will probably want to retain other important subsidisome of its other activities. like the Sparklets business, may be

a different matter. major disposals, Airco's ferroalloys side and Deloro Stellite, which makes special metals. In addition, factory closures and disposals brought extraordinary charges of £4.6m after tax last year. The reason for all this activity is that in the last three years, the group's net cash flow has amounted to around £214m, whereas its spending on fixed assets and working capital has amounted to nearly £350m, excluding acquisitions. There is nothing wrong with this in principle—but the pre-interest return on overage captal taking fixed assets largely at replacement cost) is no more than 114

Index fell 2.1 to 457.7



Without sharp cent. management action, even that return could have soon become unobtainable, in which case the balance sheet would have started to look distinctly lop-

Ase it is, BOC's gearing fell last year and is expected to decline again in 1980—thanks in part to further disposals and a iecision to hold back capital spending on some peripheral activities. Last September net debt represented 42 per cent of (revalued) capital employed and although BOC is confident that it can meet all its fore seeable needs in 1980 it concedes that this figure is towards the higher end of the range that is considered desirable over the long term.

### Alexanders Discount

The share price of Alexanders

Discount rose 7p to 212p yester-day, and altogether the shares have risen a tenth since the end of last year in recognition of aries such as its vacuum the surge in the gilt-edged engineereing operation. But market it would be wise, however, to cast a veil over most of happened before the half-way stage has been followed by something worse in a second half stricken by 17 per cent MLR and the company admits to a loss after tax of £0.25m. To arrive at the much higher true loss it is necessary to add a transfer out of general reserve of £1m and a further secret transfer from the con-tingency reserve. However, the company is maintaining the net dividend though this is uncovered for the second year running; the yield is 11.4 per

anders still retains a significant their friends.

level of inner reserves, a plainly its capital base has be eroded and this must affect t scale of its business for the second year running its balance sheet total has fallen though only slightly. Looking as the bright side, however discusse houses are bound to profit from any fall in interest rates, which explains the speculative activity in the shares of the sector. the present time.

Incidentally, Alexanders' balance sheet shows the impact of the acceptance leak caused by banks trying to wriggle out of the caused by the Bank of England. The total of this punder, rediscounts that the first

under rediscount shot up des ing 1979 from £179m to £520m Until the October VAT pay ments UK retailers were big buyers of bank bills; since the taken over, attracted by return which currently stretch to over 18 per cent on one-month paper.

### De-mergerung

The Gieves group is taking refreshing line over the Salan it has been offered by the tis. company Stander for its sal Rather than re-employing dis cash in the business, it is pro posing to distribute it direct to shareholders, who will receive 60p per share; yesterde the price rose from 84p to 1006 The difficulty of such divestment is that the distribi tion to the shareholders risks being taxed as income rather than capital repayment. Gieves is getting round this by splitting itself into two and giving chareholders a direct stake in JBB — for which Standex will offer them cash — as well as shares in the rest of the business Although final clearance from the Inland Revenue has not been received. Gieves is confident that the shareholders' only liability will be to capital gains

The company admits that December 31; a modest loss at technical difficulties might group to perform this sort of operation if only because the holding company is required to put itself into voluntary liquidation. This would be an awe some task in a group of any complexity, where there would be likely to be parent con pany guarantees for subsidiaries liabilities. But the greatest obstacle of

all is the natural unwillingness of professional managers to re duce the importance of their jobs. It is certainly significant In two years published net that nearly half the Gieves worth has fallen from £12m to shares are controlled by the £9.5m, or 192p a share. Alex-directors, their families and

# Where?

Thinking about relocation. But where? You will have a set of views, opinions and prejudices about different areas of the country. This forms your geographical mental map through which you sense the relationship of one place to another. But with so many carefully manipulated maps about. it's easy to confuse your 'mental map' with reality. We don't intend to confuse you. No mainly ulated map. Just

we continuend to comuse you no manipulated map. Jus straight talking. Quite simply Northampton's gazetteer reads midway between London and Birmingham on the MI, close to the M6 junction and therefore within easy reach of most of the country. Indeed, 50% of Britains industry and 57% of its population is within a 100 mile radius. The major read note of cordon Scuttering Britain Britain. sea ports of London, Southernpton, Bristol, Imminghem, Feliostowe and Harwich are all within a 100 mile radius. Birmingham, Luton and East Midlands aliports are within 50 miles. Heathrow is about 70 miles away.

An inland customs depot with full import and export facilities, ready-built industrial and commercial premises. or fully serviced sites, a wide choice of homes to rent or or may service suces, a water and a recreational and buy, good shopping, educational, recreational and extensionment facilities, as well as lots of open space, provide the infrastructure of this mature county town of

> Northampton middle england character prosperity & growth

for a straight answer. contact Leslie Austin-Crowerscratos Chilef Estate Surveyor Northampton Development Corporation 060434734

## d by St. Clament's Press for and public House, Connon Street, London, EC4P. The Findnoisi Times Ltd., 1

### tary ware manufacturer which last year mounted an ultimately unsuccessful attempt to merge with Johnson-Richards Tiles, is itself the target of a possible The company asked for its shares to be suspended yester-

BY CHRISTINE MOIR

day at 551p after a 61p jump in the price on Friday. At the suspension price Armitage has a market value of £17.48m. It appears that the bid offer for Armitage after its approach has come from a UK £26m bid was referred. In 1975 company although the biggest a major study of the industry gradually increasing its stake in recent months—is Ceramics

the Netherlands. Only 10 days ago Ceramics announced that its holding had

cent to 21.14 per cent.

industry have frequently come under the scrutiny of the Monopolies Commission since 1973 when Glynwed was obliged to withdraw from its revealed that 90 per cent of the UK market for sanitary ware was controlled by four com-Investments BV, a Panamanian panies — Armitage, Doultons

ARMITAGE SHANKS, the sanisanitary ware manufacturer tary ware manufacturer which with a subsidiary registered in (part of S. Pearson and Son),

BUPA's group membership The associations have been increase of 27 per cent included redesigning their individual

39.3

Group membership

increase.

increased again from 20.1 per Mergers in the ceramics

Twyfords (part of Reed International) and the U.S.-backed Ideal-Standard. Armitage's own agreed bid

for Johnson-Richards last year, which was topped by Norcros. centred on the potential future for fitted bathrooms as a natural successor to the popularity of fitted kitchens among householders. Armitage itself met forecast profits for its year to March 1979 of £4.5m—an 84 per cent increase—and since then has shown a 24 per cent jump in the six months to September to £2.5m, while warning against exaggerated

## **Rolls-Royce raises** £140m bank loans

£140m in two loans from a group of British, U.S. and Canadian banks in the first stage of a major financing programme designed to support its neavy order books.

The state-owned aerospace company won more than fibn worth of orders last year and currently has firm orders worth around £2bn, the main element being its large RB-211 jet

It has completed arrangements to raise 10-year loans of £75m, with an option to convert to dollars, and \$150m (£65m) from a syndicate of banks led by National Westminster Bank.

details of the loans'-conditions but says they have been concluded at floating rates geared to the London interbank offered rate (LIBOR) on normal commercial terms.

the past decade that it would assure financial support for the company, which was nationalised in 1971.

The loans will form a major

part of the £400m which Rolls-Royce has estimated as its likely cash needs for the immediate future to cover new projects and to finance increased stocks and work-in-

from loans negotiated in the City—further funds could be agreed later this year-with the other £200m being provided by the Government directly or through a rise in Rolls-Royce's equity capital. About £30m of this has aiready been allocated. The other banks in the syndicate providing the latest

loans are Barclays, Grindlays, Standard Chartered, Bank of Scotland, Bank of America. Chase Manhattan, Chemical Bank, Citibank, First National

### £162,500 handshake ROLLS-ROYCE is to borrow BY JOHN MAKINSON Although high, the BOC **BOC INTERNATIONAL has** given Mr. John Williams, its former chief operating officer, a golden handshake of £162,500, one of the biggest ever. Mr. Williams, 53, retired payment to Mr. Williams is not a record.

last year because of poor In addition to this payment the accounts show, directors' emoluments almost doubled to

**BOC** International's

£441,900 the previous year. BOC said that this was because two executives of overseas subsidiarles, Mr. Richard Giordano and Mr. Jim Davidson, joined the main. board last year, and payments to them by overseas subsidiaries were included in their

Mr. Giordano, who is now group managing director and chief executive of BOC International, is shown as the group's highest-paid worker.

Mr. Eric Morley received £200,000 when he left the board of Grand Metropolitan in October 1978. Mr. Morley, recently teamed up in a gaming venture with Mr. Laurie Marsh, himself paid £125,000 on his departure from Associa-

Commenting on Mr. Williams's departure, Sir Leslie Smith, BOC chairman, says in his statement: "John was taken seriously ill in January 1979, and after several months' anxious debate it was mutually agreed that he should retire. "I am happy to report that

he is now much improved in Company report, Page 16

Rolls-Royce is not releasing

The two loans are unsecured. but the British Government has made it clear several times in

Around half of this is to come

of Boston, Bank of Montreal and Bank of Nova